





# Among the Losers: De Gaulle

## His Old Foes Le Pen and Mitterrand Get Their Revenge

By James M. Markham  
*New York Times Service*

PARIS — One clear loser in the first round of the French presidential election Sunday was Charles de Gaulle. The founder of the Fifth Republic died in 1970, but two of his surviving foes are having posthumous revenge on his legacy.

One of them is Jean-Marie Le Pen, leader of the far-right National Front, who pulled a startling 14.4 percent of the vote to emerge as a possible arbiter of the runoff May 8 between President Francois Mitterrand and Prime Minister Jacques Chirac. The other is the Socialist president himself.

Mr. Le Pen appeals to a disaffected electorate troubled by unemployment and Third World immigrants in France. But, as a former paratrooper in colonial Algeria, he also has managed to tap a vein of anti-Gaullist resentment and a lurking sympathy for Marshal Henri Philippe Pétain, who headed the pro-Nazi collaborationist government at Vichy during World War II.

Some of Mr. Le Pen's most fervent supporters are former colonists from Algeria who still loathe de Gaulle for allowing the North African nation to become independent in 1962. The National Front counts in its ranks a number of former officers who plotted against de Gaulle in a violent, last-gasp effort to keep Algeria French.

One of the most conspicuous is Pierre Sergeani, a National Front member of the National Assembly and a former Foreign Legion officer who was condemned to death for his role in the 1961 plot against de Gaulle but who was later given amnesty. At Mr. Le Pen's last electoral rally, the crowd cheered wildly in memory of General Raoul Salan, leader of the plotters.

"It is the revenge of Vichy and the war of Algeria," said Jean Lacouture, author of a three-volume biography of de Gaulle, of the support for Mr. Le Pen. "There are still 10 percent of Frenchmen who remain attached to Pétain and another 10 percent who have not forgiven the loss of Algeria."

Mr. Lacouture said de Gaulle tried to give France a "noble and melancholy" sense of mission after its defeat in war and the loss of its colonies. The historian argued that Mr. Le Pen represented another response to "the postgrandeur" phase of the nation's history.

"Le Pen is the nasty, horrible and dirty face of the Gaullist experience — the face that de Gaulle tried to endow with a certain pride," Mr. Lacouture said.

"Gaullism was a vengeance, the inversion of Gaullism."

Another posthumous blow to de Gaulle has been landed by Mr. Mitterrand, who fiercely opposed the general and who three decades ago denounced the new Fifth Republic constitution as "a permanent coup d'état." The de Gaulle-Mitterrand animosity had its origins in their first meeting at Algiers during World War II.

At 71, Mr. Mitterrand now has the satisfaction of having within reach something no president of the Fifth Republic ever attained: being elected twice by universal suffrage. Many Gaullists believe if Mr. Mitterrand is elected to a second seven-year term he intends to transform the very nature of the Fifth Republic, reviving the primacy of political parties and factions that the general so detested.

"One of the constants of Mitterrand's career is that he wants to destroy the Fifth Republic and justify his opposition to the constitution in 1958," said Olivier Guichard, a former Gaullist minister who is now a member of the National Assembly.

"His objective is to create an assembly where there is no majority and where he can have the kind of success he did under the Fourth Republic," Baron Guichard said.

As far as Gaullists are concerned, the vote Sunday also was ignominious because the standard-bearer of the Gaullist movement, Mr. Chirac, only won 19.9 percent of the 30.8 million votes cast. Opinion polls before the ballot had put his score in the mid-20s.

With Mr. Chirac now a clear underdog for May 8, erstwhile companions of de Gaulle mutter privately that the prime minister has been too partisan a figure and much too intimately linked in the popular imagination with the Rally for the Republic, his well-oiled political machine.

Pierre Sudreau, a politician who helped write the Fifth Republic constitution, explained that a good Gaullist should rally the broadest coalition possible. According to Mr. Sudreau, Mr. Mitterrand is doing a far better job than Mr. Chirac in this regard.

Whom would de Gaulle support? "If Mitterrand had not harassed him so much," speculated Mr. Sudreau, "well — I cannot say that de Gaulle would have actually voted for Mitterrand. But he would not have voted for Chirac. He would have abstained."



Francois Mitterrand waiting to speak Monday in Guadeloupe.

# Roh Leads South Korea Vote

## But Party May Lose Majority

By Clyde Haberman  
*New York Times Service*

SEOUL — South Korea's ruling party emerged Wednesday from general elections with a seemingly unbeatable lead but was in surprising danger of losing its majority in the National Assembly.

The biggest gainer in the legislative building Tuesday was the hard-line Party for Peace and Democracy headed by Kim Dae Jung, which was poised to become the dominant anti-government force even as it denounced the election as rigged.

With more than half the vote counted early Wednesday, the state-run Korean Broadcasting System said the ruling Democratic Justice Party was ahead in 65 of 224 Assembly seats being contested at the district level. Kim Dae Jung's group had 44 seats, the Reunification Democratic Party led by Kim Young Sam had 29, and the Peace and Democracy Party led by Kim Jong Pil had 18. No leaders were declared in the remaining 68 races.

All of the parties in the badly fractured opposition accused the government of computer fraud after a quasi-official television network broadcast the supposed results of a local race 14 hours before the polls opened.

The network declared that the ruling party's candidate would win with a 39.2 percent share of the vote. That turned out to be close to his actual percentage in incomplete returns.

The network, Munkwa Broadcasting Corp., insisted it was simply testing a new computer program and had entered realistic numbers for a necessary simulation. Through a "technical error," it said, the practice session went on the air for about 90 seconds.

But the opposition parties rejected the explanation, saying the incident showed the government had programmed computers to churn out prearranged results. For several months, they have accused the authorities of doing the same thing in the hotly contested presidential election last December.

The computer episode touched off a flurry of clashes Tuesday between protesters and riot police officers in Seoul and on Cheju Island, a southern resort area where the false broadcast occurred.

Opposition leaders, denouncing the entire election as riddled with vote-buying and manipulation, said they would hold a rally Wednesday in Seoul to touch off a struggle to "nullify" the results.

Since the presidential election, the public has not rallied behind them, apparently in the belief that President Roh Tae Woo won largely because of a split between the two main opposition leaders, Kim Dae Jung and Kim Young Sam.

Many voters interviewed at polling places said they thought the voting had gone smoothly Tuesday, and even election monitors from the opposition said that vote-switching, ballot-box stuffing and

other irregularities were down sharply from December.

A weariness with political turmoil in general has set in for many Koreans, although that could change if the fraud charges take root. Public fatigue was suggested in the 73 percent voter turnout Tuesday, which was far below the 89 percent in December and the 84 percent in the last National Assembly election, in 1985.

While nothing in the results would significantly undermine Mr. Roh's hold on power, he could face almost-unheard-of legislative challenges should his Democratic Justice Party lose its majority.

Even if the party retains its edge, it will probably not be by much, despite forecasts that it would capitalize on the opposition division and win handily. Mr. Roh could still face difficult moments in the new legislature, which has been strengthened by a new constitution.

Unlike its predecessors, the legislature will contain all of the top three opposition leaders, who are almost certain to use it as a forum for grievances.

Under the election rules, the No. 1 party also stands to pick up 38 of 75 "proportional representation" seats that will be distributed nationally.

Kim Dae Jung's party was almost certain to more than double its share of seats, sailing past its previously much larger rival, Kim Young Sam's group.

# Unrest Gains

## In Poland as Steelworkers Are Struck

By Jackson Diehl  
*Washington Post Service*

WARSAW — An outbreak of strikes by industrial workers has underlined an increase in popular activism in Poland and confronted the government of General Wojciech Jaruzelski with the specter of a popular uprising like the one that created the free trade union Solidarity almost eight years ago.

One day after a strike paralyzed transport in Bydgoszcz and Inowroclaw, steelworkers in the huge Lenin mill at Nowa Huta, near Krakow, walked off the job Tuesday morning and a strike alert was called at a second mill, in Stalowa Wola. Both actions were led by Solidarity, which is officially outlawed. Demands included the reinstatement of union leaders who had been dismissed.

The strikes were the most serious labor unrest the government has faced since it suppressed Solidarity by declaring martial law in December 1981. The government has been able to prevent major strikes by quickly giving in to pay demands, although the cost has been chronically high inflation.

Leaders of Solidarity say the strikes this week may be settled quickly by the authorities, who halted the transport walkout Monday by giving workers a 60 percent pay increase. Many opposition leaders believe workers in most factories remain unwilling to support major protests as long as their basic economic demands are met, in part because of lingering memories of how Solidarity's 16-month drive for change in ended in economic chaos and military rule.

But Solidarity leaders believe worker unrest could spread across the country, feeding on discontent with inflation that already has doubled this year to an annual rate officially reported at 45 percent.

"The situation is getting hotter, and something could happen anywhere at any time," Lech Walesa, a founder of Solidarity, said Tuesday in Warsaw.

Even before the latest strikes, the possibility of another popular uprising had begun to haunt both government and opposition strategists. A government poll conducted at the end of last year showed that up to 80 percent of Poles thought conditions existed for an "explosion" of protest.

As economic conditions worsen and a new generation matures, years of political stagnation are beginning to give way to a wave of grass-roots activism, opposition analysts argue. Farmers, workers and students, encouraged by government reluctance to take political prisoners, have begun reviving dormant political organizations, founding new ones and pressing aggressive programs of action.

In the last several months, scores of factory committees pledging allegiance to Solidarity have introduced themselves by publicly disclosing their membership and applying for official registration.

Early next month 15 local committees of Rural Solidarity, the former union for private farmers, are expected to simultaneously announce their reorganization.

Health workers and students have revived their Solidarity-era independent associations and staged a number of public demonstrations since the beginning of the year. New opposition parties, including a Polish Socialist Party, have formed, as well as several political discussion clubs and lobbying groups supporting such causes as environmental protection and private enterprise.

Although it is nominally committed to a broad program of political liberalization, General Jaruzelski's government has directly banned or refused to recognize almost all the new organizations. And while key opposition strategists only months ago were urging the new groups to work within the legal political system, a majority now say a confrontation with the Communist leadership is likely.

# WORLD BRIEFS

## Local Soviet Chief Fired After Protest

MOSCOW (UPI) — Feliks S. Sanakoev, the Communist Party chief of the Ossetian region, has been dismissed after an outbreak of typhoid fever led to three days of demonstrations against his policies, a Moscow newspaper reported Tuesday.

The protests in Tskhinvali, the capital of the South Ossetian Autonomous Region, illustrate the volatility of environmental problems in the Soviet Union. The Komsomolskaya Pravda youth newspaper said about 60 people were hospitalized with typhoid fever.

Ossetians, who are Persian-speaking and largely Sunni Moslem, took to the streets April 17 in the first of three days of protests against delays in construction of a new waterline. The existing line is unsanitary and caused the outbreak of typhoid fever, the newspaper said.

## Senate Panel Demands North Diaries

WASHINGTON (AP) — The Senate Foreign Relations Committee voted Tuesday, 16 to 1, to subpoena the private diaries of Oliver L. North after Senator Jim Kerry, Democrat of Massachusetts, said the documents covering September 1984 to November 1986 could prove essential to the panel's investigation of international narcotics smuggling.

The subpoena calls for the former National Security Council aide and his attorney, Brendan Sullivan, to produce 2,848 pages of diary notes and no deletions. Mr. Kerry said that, in copies of the diaries, 1,269 of the pages had been heavily edited or covered with heavy black ink.

The censured versions were given to the congressional committee investigating the Iran-contra affair last year.

## Lange Seeks Return of French Agent

LONDON (AP) — New Zealand's prime minister, David Lange, said Tuesday that he would seek United Nations arbitration if France refused to return to custody in the Pacific a French agent convicted of blowing up the Rainbow Warrior, flagship of the Greenpeace environmental group, in 1985.

Mr. Lange said New Zealand believed that Major Alain Mafart was well enough to return to Hao, a French Pacific military base, where he and another agent were supposed to be held for three years. Without consultation with New Zealand, Major Mafart was taken to France in December after complaining of stomach pains.

After the French presidential runoff election May 8, "we must negotiate," Mr. Lange said. "If that is unsatisfactory, then of course we will be invoking arbitration" under a 1986 UN-mediated agreement. Mr. Lange was visiting London to seek British help in retaining New Zealand's farm export quotas to the European Community.

## South Africa to Close Liberal Weekly

JOHANNESBURG (NYT) — The government has given the independent liberal weekly newspaper, The Weekly Mail, a final warning that it intends closing it down in three months.

The warning, published Monday in the official newspaper, the Government Gazette, was signed by the home affairs minister, Dr. Stoffel Botha, under the 8-month-old emergency censorship laws.

Observers said that the move, which follows the closure of the anti-apartheid weekly New Nation, may signal an extensive effort against what is known in South Africa as the "alternative press."

## Alfonso Delors Delays Plan for New Capital

BUENOS AIRES (Reuters) — President Raul Alfonsín has decided to delay construction of a new Argentine capital as part of a severe budget-cutting program, government sources said Tuesday.

Mr. Alfonsín hopes to trim \$1.5 billion from the national budget by sacrificing funds pegged for major national development projects, including that of the capital, they said.

Last May Congress approved the transfer of the capital from Buenos Aires to the area of Viedma, 960 kilometers (600 miles) to the south on the northern edge of Patagonia. Opposition political parties have objected to moves to fund the project. Mr. Alfonsín proposed the transfer to promote decentralization of Argentina's political and economic landscape.

# TRAVEL UPDATE

## BA Cuts Prices on European Flights

LONDON (AFP) — British Airways has announced price cuts of up to 25 percent on flights between London-Gatwick and 19 European cities. For example, a London-Paris round trip will cost \$65 (\$122), London-Brussels \$58, London-Frankfurt \$66, and London-Madrid \$91. The fares will apply until May 25 for stays of three to 28 days.

## U.S. Asks New Berlin Landing Rights

BERLIN (AP) — The U.S. government has asked the other Allied powers to grant new landing rights to TWA and American Airlines in Berlin. Allied sources said.

U.S. officials have requested 18 extra daily flights in and out of Tempel Airport for the two airlines, according to the sources. The Berlin flights would be between Cologne, Frankfurt, Hamburg and Stuttgart.

## Moscow to Ease Businessmen's Visas

MOSCOW (Reuters) — The Soviet Union announced Tuesday that it was easing visa rules for Western businessmen in a move aimed at slashing red tape hampering foreign trade contacts.

Oleg Avramenko, first deputy chief of the Foreign Ministry's consular department, said the new regulations, which include the issuing of multiple entry-exit visas to Western businessmen, would go into effect Sunday. "This is a unilateral decision, and is not dependent on reciprocity," he added.

Until now many resident businessmen have had to apply for exit visas, which took four or five days, before leaving the country. Regular visitors from abroad have to wait up to two weeks for visas for each journey. Mr. Avramenko said Soviet consulates in the West and in developing countries were being told that business visas should be issued within 48 hours from Sunday.

Union members at Japan Air Lines dropped plans for a 48-hour strike Tuesday. It would have forced cancellation of at least six international flights from Japan, plus 45 domestic flights. Meanwhile, Kyodo News Service said workers at All Nippon Airways went on strike shortly after midnight for 24 hours. The job action will mean cancellation of 368 of 474 domestic flights, but no international flights. Pilots at Air Nippon also struck until Monday after failing to negotiate a raise. The company said the strike will ground 55 domestic flights for 24 hours.

Zimbabwe set a record for tourism last year with 487,716 visitors, according to statistics issued in Harare on Tuesday. The figure was more than 50,000 higher than the 1986 record of 433,372. (AFP)

Hungary will raise railroad fares on sections of international journeys within Hungary by 50 percent Sunday, the Hungarian news agency MTI reported Tuesday. (Reuters)

# U.S. Is Said to Halve Kabul Mission

## After Iranian Threats Are Reported

By David B. Ottaway  
*Washington Post Service*

KABUL, Afghanistan — The U.S. Embassy here is cutting in half its diplomatic mission following intelligence reports that Iran has chosen it as a target for retaliation for the recent U.S. attacks on Iranian ships in the Gulf, Western sources said.

The mission's 12-man diplomatic staff is being reduced to six, not counting six Marine Corps guards. Tougher security measures have been taken to protect the remaining diplomats, some of whom are now sleeping at the embassy. The other six diplomats began leaving earlier this week.

The sources said U.S. intelligence had received information about an Iranian threat directed specifically against the mission. Following the U.S. attacks on Iranian warships after Iran's renewed mining of Gulf waters, Tehran threatened to attack Americans wherever they might be in the Middle East.

Outside Moscow, the food problem is markedly worse. In Rostov, butter is rationed. In the Ukraine, sugar is rationed. Although last year brought a slight rise in the production of meat and dairy products, the increase is not nearly enough to meet demand.

The United States maintains an embassy in Kabul but does not recognize the government of Major

General Najib, and the U.S. diplomats have no contact with the government.

The embassy took the Iranian threat seriously both because of the kidnapping and killing of the U.S. ambassador to Afghanistan, Adolph Dubs, in February 1979, and the recent emergence in Kabul of an Iranian-backed urban guerrilla group, the Afghanistan Islamic Resistance Organization, which has claimed responsibility for some recent bombings in the capital.

There also is concern that Iran might try to infiltrate terrorists into the city disguised as returning refugees, since the government is encouraging refugees to come back.

Meanwhile, the government celebrated the 10th anniversary of Afghanistan's leftist revolution Tuesday. Western observers watching the military and civilian parade in along the Kabul River wondered whether it would be the last for the Najib government, which is under considerable pressure from U.S.-backed resistance forces.

Moscow apparently also has its doubts. The highest-ranking Soviet official at the celebration was Vladimir Orlov, chairman of the Russian Republic's Supreme Soviet.

As far as could be determined, East Germany was the only East bloc nation to send a full Politburo member, Werner Walde, to the celebrations.

A Soviet official indicated that the war and a desire to give Afghanistan less importance were factors in the decision to send a relatively low-ranking delegation.

Western diplomats had another interpretation. One called it "a clear signal" that the Najib government had become "a disposable commodity."

The biggest news for the 50 Western and Eastern correspondents allowed in to cover the celebrations was the failure of the U.S.-armed guerrillas to mount any action aimed at disrupting the festivities. Despite hints from resistance leaders that they would try to guard the city had taken extensive measures to assure security for the celebrations, including Soviet use of 240mm mortars to shell suspected guerrilla concentrations just outside the capital.

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# U.S. Assails 'Holocaust' By Mozambican Rebels

By James Brooke  
*New York Times Service*

MAPUTO, Mozambique — A high-ranking U.S. State Department official on Tuesday excoriated Mozambique's rightist rebels and their overseas backers, many of whom are Americans.

"What has emerged in Mozambique is one of the most brutal holocausts against ordinary human beings since World War II," the official, Roy A. Stacy, deputy assistant secretary of state for Africa, said of the Mozambican National Resistance Movement, which is known by its Portuguese initials, Renamo.

"The supporters of Renamo, wherever they may be, cannot wash the blood from their hands unless all support for the unprovoked violence is stopped immediately," Mr. Stacy said. "Renamo has been waging a systematic and brutal war of terror against innocent Mozambican civilians through forced labor, starvation, physical abuse and wanton killings."

Some prominent American conservatives, including two Republican senators, Bob Dole of Kansas and Jesse Helms of North Carolina, argued last year that the United States should give food to the guerrilla-held areas. Renamo fights against Mozambique's left-leaning government, and some U.S. conservatives last year hailed the Renamo rebels as "freedom fighters."

American conservative support for Renamo began to wane last year when survivors of massacres blamed Renamo for the killings. The most brutal attack was on July 18 in Homoine, where, according to the government, 424 civilians were killed.

Another blow to Renamo's prestige came last week when the State Department estimated that the group had murdered about 100,000 Mozambican civilians and caused almost 1 million to flee as refugees.

On Tuesday, Mr. Stacy addressed an international conference, sponsored by the United Nations, that hopes to raise \$380 million in aid for Mozambique.

According to the United Nations, 5.95 million of Mozambique's 14 million people are in need of aid, including 2.65 million who need food.

"This is due primarily to continued acts of destabilization and wanton acts against population centers and public facilities," Secretary-General Javier Pérez de Cuellar said in a UN statement read by an aide.

In recent years, the United States has been the largest donor of food to Mozambique. Mr. Stacy said the United States would continue to play this role, giving about \$78 million this year, virtually unchanged from last year.

Mozambique is currently the largest recipient of United States aid in sub-Saharan Africa.

# SOVIET: Shelves Depleted

(Continued from Page 1)

sign, showing that they were still pushing quantity over quality. It's good, in a sense, that they didn't even come close."

Ideally, gains in the agricultural sector might have offset some of the declines in industry, but that has not happened. A very harsh winter combined with great confusion and inexperience over new methods and models in agriculture resulted in a year that one analyst in Moscow called "a bust."

Soviet gross agricultural production grew by 0.2 percent last year, compared to 5.6 percent in 1986 and no growth at all for the three previous years.

"The Soviets were hoping that they'd get an increase in food to feed all the workers who are supposed to be working harder," one analyst said, "but that has come to nothing. Just ask anyone in a grocery store."

While economists may understand the need for a temporary slowdown in growth, the question is whether the people or the Soviet leadership will put up with the situation much longer. The leadership is now in the position of not being able to show anything tangible, other than a flood of books and articles, for its efforts.

Western agricultural experts in Moscow agree with Mr. Gorbachev when they say there are no quick fixes for food production. Mr. Gorbachev, whose early family and political background is in agriculture, has spoken out in favor of local, rather than centralized, administration. But so far, his ambitions have been mostly on the theoretical level and results are few.

Outside Moscow, the food problem is markedly worse. In Rostov, butter is rationed. In the Ukraine, sugar is rationed. Although last year brought a slight rise in the production of meat and dairy products, the increase is not nearly enough to meet demand.

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BRIEFS

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Closed Steel Mills Forge Cynicism in Pennsylvania

By Michael Oreskes

New York Times Service

McKEESPORT, Pennsylvania — People here say they no longer expect much from their government. They point to the closed steel mills...



Campaigning in Harrisburg, Pennsylvania, Governor Michael S. Dukakis of Massachusetts reads a story at a day-care center.

"Blame it on the politicians," said Rich Pomponio, whose mill job disappeared a few years ago, five days before he became eligible for his pension. "It's turned me against politicians. We've heard the same words: 'I'm elected...'"

"A politician is nothing," added Ron Ganczak, one of a group of former mill workers who sat around over coffee with a visiting reporter earlier this week to discuss the view of American politics from McKeesport, as Pennsylvanians prepared to vote in the state's primary election on Tuesday.

"They're controlled by the business people," his friend, Tom Taylor, added. "The business people pull the strings."

Arnold Brown, a former machine operator, agreed and added, "Under the free enterprise system there's no place for the little guy."

"Not anymore," replied Mr. Ganczak. "The disillusionment is all the deeper because it springs from people whose faith in America was once consuming."

"We all grew up in half-decent houses, with mothers like June Cleaver that stayed home with the children," said Linda Demko, the wife of a former steelworker. "And now we are in our thirties and forties and, bam! Everything falls apart on you."

Despite the anger and cynicism, radical solutions have little appeal among these people, who still hold to their traditions. Some people here, overwhelmed by the fight for survival, have retreated into apathy. But others still insist that it is important to vote even though the results have so often been disappointing.

"It is better to vote for Democrats, Mr. Brown adds, because they, at least, 'will give us more crumbs off the table.' On television these men and women watch news about the economic recovery that has gone on now for five years. But in McKeesport the talk is matter-of-fact about foreclosures, divorces, breakdowns and suicides.

They do not even need the television to suffer the contrast. It is less than 10 miles (16 kilometers) down the river to the gleaming new office towers of Pittsburgh, where banking, research and high-tech industry have fueled the economy.

But in McKeesport, even a McDonald's could not make it, they note. The defunct hamburger place is now an unemployment office. "They've even got the church for sale here," said Mr. Pomponio, who now works as a bookkeeper for a bus company, making less than half what he made at the mill.

Ronald Reagan, whom at least some in these parts voted for eight years ago, is popular no more. It is even said that if the president bought a cemetery here, people would stop dying. The two remaining Democratic

contenders, Governor Michael S. Dukakis of Massachusetts, who was expected to win the Democratic primary on Tuesday, and the Reverend Jesse L. Jackson have both been trying to speak to the people of the Mon Valley, as it is known here.

Mr. Dukakis talks about how he rescued the economy of his state and now wants the chance to restore good jobs at good wages for all America. Linda Demko's husband, John, a mill worker and United Steelworkers of America union officer until the mills closed, said he was leaning toward Mr. Dukakis.

He is as skeptical as anyone here that there will be help from the government for the people of McKeesport. He has reason. He tells the story of how he campaigned to help elect Pennsylvania's current governor, Robert P. Casey, a Democrat. Mr. Casey and his wife were so grateful they gave Mr. Demko their home phone number and told him to call if he ever needed help.

Finally, after rounds of layoffs and fruitless struggles to save the mills, he called. The number had been changed. But despite his frustrations, he is still certain that if help comes at all it will come from the Democrats. So the crucial thing is picking a candidate who can win in November.

"In Jackson I see shades of McGovern," Mr. Demko said. "I loved him, but boy, did we get blown away in that election!" But Mr. Jackson has touched a nerve here with his talk about the victims of world economic dislocation, a phenomenon the candidate has dubbed "economic violence."

It is a phrase that may not have much meaning to many Americans. But the city of McKeesport, with its blackened, silent mills and its empty streets lined by boarded-up stores, resembles nothing so much as a town after a war has passed through.

Mr. Jackson's staff has few hopes for Pennsylvania outside the three congressional districts with large black populations: two in Philadelphia and one in Pittsburgh.

The Other Side of the Barbed Wire

On Senate Floor, Old Friends Recall a Strange Meeting

By Irvin Molotsky

New York Times Service

WASHINGTON — While the Senate was voting on the bill to offer apologies and compensation to the Americans of Japanese ancestry who were held in internment camps in World War II, Representative Norman Y. Mineta of California walked over from the House side of the Capitol and into the Senate chamber to shake hands with an old friend, Senator Alan K. Simpson of Wyoming.

Their friendship began at a Western internment camp 45 years ago when the two were Boy Scouts. Over the years, they have exchanged Christmas cards. Now, as leading members of Congress, they were working together toward passing some historic legislation.

At the camp, Mr. Mineta was a boy deprived of his liberty, despite his undisputed American citizenship, because the federal government viewed people of Japanese descent, regardless of how many generations their families had been in the country, as security risks.

Young Alan Simpson was brought to the camp by his Boy Scout leader from his home 10 miles (16 kilometers) away. The camp was puzzling to both boys. In interviews, they described the camp from their different perspectives, one from the inside looking out, the other from the outside looking in.

"It was called the 'Jap Camp,'" said Mr. Simpson. It was in Wyoming, halfway between his hometown of Cody and the town of Powell. "I went up overnight," Mr. Simpson said, "a place to hold 13,000 to 15,000 internees on a sagebrush flat. There had been nothing there before, absolutely nothing."

The camp became the equivalent of the third largest city in Wyoming, smaller only than Cheyenne and Casper. One day, Mr. Simpson became one of the 73 co-sponsors of the bill in the Senate, although he opposed the provision awarding \$20,000 compensation to each of the estimated 60,000 surviving Japanese-American internees.

That would cost \$1.2 billion over the next five years. The bill now goes back to the House of Representatives, which passed a slightly different version by an overwhelming margin and is expected to approve the Senate version quickly.

The compensation is to be tax free. The eldest will be paid first. "I consider Alan a good friend, although we are philosophically worlds apart," Mr. Mineta, a Democrat, said of his Republican colleague.

Behind that barbed wire, watched over by tower guards with machine guns, was young Norman Mineta, about the same age as Alan Simpson.

Lawmakers experienced a Japanese internment camp in Wyoming, one from the inside looking out, the other from the outside looking in.

AMERICAN TOPICS

After Vietnam Films, Movies Focus on Civil Rights Struggle

After a spate of films about the Vietnam War of the 1960s and '70s, Hollywood is reaching further back and doing pictures about the civil rights struggle of the 1950s and '60s. The New York Times reports.

Two studios are shooting in Mississippi alone. "Mississippi Burning" is a fictionalized account of the murders of three civil rights workers in 1964. "Heart of Dixie," set in 1957, observes the struggle for integration through the eyes of a college girl who was brought up to be a Southern lady. A third film, "Mississippi Summer," ends with the murders that trigger "Mississippi Burning."

Why now? One suggestion is that race is back in the news because racial antagonism is increasing, as evidenced by recent incidents on university campuses, or the Dec. 20, 1986 attack on three black men by young whites in New York City.

"These subjects are both reflections of a time past and a time quite clearly immediately upon us," said Sean Daniel of Universal Pictures, which is shooting "The Stick Wife,"

Short Takes

The annual American energy bill has been cut \$150 billion by conservation and new technologies developed since the 1973-1974 oil price shock, according to a study by Arthur Rosenfeld, professor of physics at the University of California, Berkeley. He says that "if we had frozen our energy efficiency at the 1973 level — when energy was dirt cheap and no one cared about conservation — we would have spent \$550 billion instead of \$400 billion on energy in 1986."

The future of the Museum of the American Indian in New York City has been settled, barring last-minute legal snarls, in a compromise among city, state and federal officials that is expected to end a decade of contention. The bulk of the museum's collection, believed to be the largest grouping of American Indian artifacts in existence, will be shifted from three cramped sites to the U.S. Custom House on Bowling Green in lower Manhattan. The museum, instead of moving to Washington, will lend freely to the Smithsonian Institution there. The federal government will lease the Custom House to the museum for 99 years at a dollar a year, while New York State and City will each put up \$13 million for renovations.

After Larry Speakes, the former White House spokesman, admitted in his memoir, "Speaking Out," that he had fabricated presidential quotes for the press, President Ronald Reagan said in a speech to the American Society of Newspaper Editors, "That's the nice thing about this job: You get to quote yourself shamelessly and if you don't, Larry Speakes will."

A call for a "royalty oath" aimed at discouraging memoirs by former presidential aides has been issued by James W. Symington, chief of protocol in the Johnson administration, former Democratic congressman from Missouri and now a Washington lawyer. In a letter to the Washington Post, Mr. Symington suggests that White House staffers agree to share equally with the president or his favorite charity "the proceeds of any book or article published within five years of their respective tenures" purporting to give inside information about the administration. Mr. Symington says outright prohibition would violate freedom of the press, "but no such bar stands in the way of a contractual arrangement."

Argentine Wins Damages in U.S. From Ex-General

WASHINGTON — A former Argentine Army general has been ordered by a U.S. District Court judge here to pay \$21 million to an Argentine who was tortured and imprisoned under the general's command. The suit was brought by Horacio Martinez Baca, 46, an Argentine lawyer who had represented labor unions and held local government posts before being abducted in 1976 and imprisoned without charges for four years.

General Carlos Suarez Mason, 64, "intentionally, systematically and, with an awareness of the consequences, directed a pattern and practice of terror against the general population of Argentina" while commanding the 1st Army Corps in Buenos Aires, Judge Samuel Conti wrote in his order Monday.

It spoke of a pattern of "abductions, disappearances, torture, prolonged arbitrary detentions and summary executions." Mr. Suarez fled to the United States five years ago to avoid prosecution for rights violations. He has been imprisoned in San Francisco since last year.

Meese Urges Employers to Test Staff for Drugs

WASHINGTON — Attorney General Edwin Meese 3d, saying the nation needs "zero tolerance of drugs in any place, any time," called Wednesday for employers "in most areas of work" to be tested for illicit drug use by their employees.

Mr. Meese told a gathering of mayors and police chiefs that such testing was "an absolute necessity" to curb the rising drug abuse problem. He said that fear of losing a job could be the most effective deterrent authorities could employ to win what the administration has called its war on drugs.

His audience was unmoved by the attorney general's plea for more drug testing and his defense of the administration's drug program. About three hours after he spoke, the meeting, called by the U.S. Conference of Mayors, approved a resolution roundly condemning those anti-drug efforts as poorly conceived, grossly underfunded, and ineffectively administered.

None of the speakers who followed Mr. Meese addressed the issue of private drug testing, although one said he seemed to have ignored the constitutional issues that testing may raise. Allen Adler, legislative counsel of the American Civil Liberties Union, said that Mr. Meese's comments appeared to represent an effort by the Reagan administration to get "employers to do things that the government could not do itself."

The administration has been pushing a program for drug testing of federal employees in sensitive positions and has urged defense contractors to test their workers as well. But court rulings have frustrated and delayed the federal program as a number of judges have declared that such testing is a violation of the Constitution's ban on unreasonable search and seizures.

A number of major corporations have begun a program of screening prospective employees and Mr. Adler said that many private workers may not be able to challenge the tests in the federal courts because "private employers are not subject to the Bill of Rights."

Mr. Meese also advocated mandatory drug testing of all individuals arrested and making their continued avoidance of any illicit drugs a condition of their pretrial release.

Mr. Meese's comments Wednesday came in response to a question from a police chief about whether the country was "on a war footing with drugs as the enemy" as it was with the Axis powers during World War II.

The attorney general replied by saying that he did not "think we're doing enough in terms of being on a so-called war footing." He cited last year's Amtrak train accident near Baltimore in which 16 people were killed "because of narcotic use" by a railroad worker and said it illustrates the need to involve more private employers in the fight against drugs.

Is There Too Much 'Him' in the Marines' Hymn?

WASHINGTON — The commandant of the Marine Corps has rejected or narrowed many of the recommendations of a task force that urged sweeping efforts to open new jobs to women and equalize recruiting standards for both sexes.

Some senior Pentagon officials have rebuked General Alfred M. Gray, the corps commandant, for his actions. Even before the report's release Monday, the defense secretary, Frank C. Carlucci, overruled General Gray on one issue — whether women can serve as security guards in U.S. embassies.

Mr. Carlucci has ordered a review of at least one other Gray decision; the commandant had rejected some key efforts to broaden career fields for women and abolish Marine rules that require higher educational and intelligence levels for women than men recruits.

At the same time, General Gray acknowledged that sexual harassment is a serious problem in the Marine Corps and has issued new orders to all of its officers declaring that "sexual harassment, even in its most subtle form, will not be condoned."

The Marine Corps chief also said that although the service's policies toward women are not discriminatory, the anti-woman attitudes of many commanders have become "unwritten policy," thwarting the careers of women members.



General Alfred M. Gray

While approving some recommendations aimed at improving women's rights in the Marine Corps, General Gray rejected other controversial proposals, including allowing women in pilot, security force and embassy-security guard units and permitting women to participate in offensive combat training.

The Marine Corps, with the smallest percentage of women members of any service, has been singled out among other services for its alleged failure to assure sexual equality. Less than 5 percent of the Marine Corps is female, about half the average for all the services.

General Gray said Mr. Carlucci's order to allow women in the embassy guard units irked him and was made without consulting him. "I'm getting hustled along here," General Gray on Monday told a women's military committee holding its annual spring conference in Alexandria, Virginia. "I'm having the opportunity to do what's good for my people taken away from me."

The commandant also refused a recommendation barring gender-related comments such as "charming, attractive woman, best woman member officer" from members' evaluation reports. He called the proposal "unnecessarily restrictive" and said Marine Corps policy already discourages use of demeaning language.

Mr. Simpson became one of the 73 co-sponsors of the bill in the Senate, although he opposed the provision awarding \$20,000 compensation to each of the estimated 60,000 surviving Japanese-American internees. That would cost \$1.2 billion over the next five years. The bill now goes back to the House of Representatives, which passed a slightly different version by an overwhelming margin and is expected to approve the Senate version quickly.

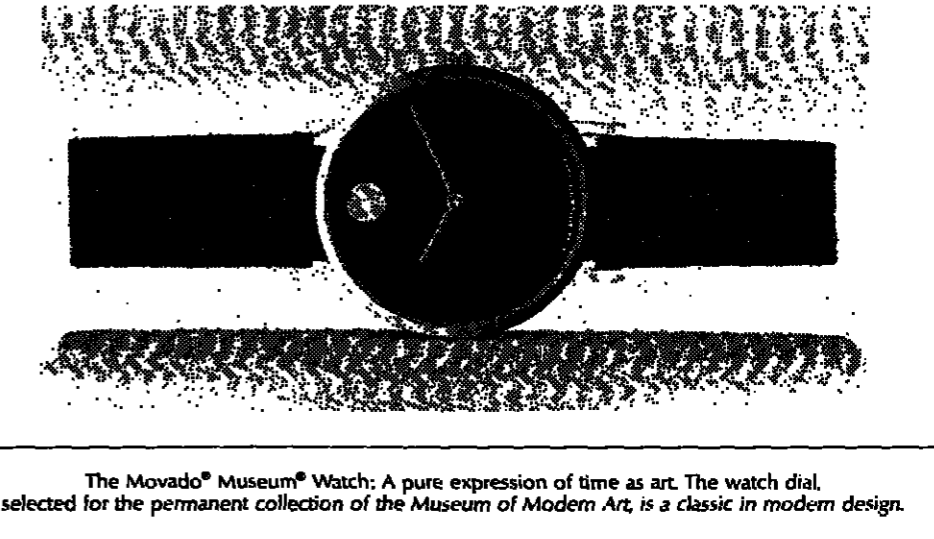
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Herald Tribune

Published With The New York Times and The Washington Post

Worse Than None at All

The foreign trade bill that Congress expects to complete this week had a bad beginning, a tormented middle and a dismal end.

Other offenders, in effect, to buy more from America or sell less — or else America will clamp down on them.

Slow Down on Panama

It seems that everywhere but inside the Reagan administration a consensus has developed that General Manuel Antonio Noriega has turned to his own political benefit.

discovered hidden resources. As far as one can tell, the people are begging for relief not only from General Noriega but also from some of the very measures that Washington has instituted on their behalf.

Forty Years of Stalling

The United States was among the first countries to sign the Genocide Convention after it was adopted by the General Assembly of the United Nations in 1948.

On Monday the House passed such legislation without any trouble. The bill is straightforward, defining genocide, making it a federal crime and setting penalties for violations.

Other Comment

A Programmed Plague
Computer experts have known for several years that computers are vulnerable to "germ warfare."

Until recently, the problem remained a theoretical possibility, but little more. But recently, several cases of infection have appeared, including a Christmas greeting last year that swamped the computers of IBM.

Gorbachev Loosens the Chains, but Slowly

By Jim Hoagland

PARIS—Valery Soyfer, distinguished professor of molecular biology and former refusenik, sat across the table in the small Parisian bistro and carefully watched every move I made.

long pause the wave of reformism identified with Mr. Gorbachev is on the move again. But the conditions in which Mr. Soyfer gained his freedom also demonstrate how limited that reform will be, even if Mr. Gorbachev prevails over those who want to slow or block his programs.



They Threw Away His Pencil, So He Used His Head

By Dan Swanson

NEW YORK—Today the American Center of PEN, the international writers organization, gives one of its highest honors, the Freedom to Write award, to an Indonesian writer, Pramodya Ananta Toer.

based partly on Mr. Adisoejo's life. He composed four books in his head. Every evening he recited his work in progress to the 18 fellow prisoners in his barracks. They read the saga to others, and it gradually spread among the island's 14,000 prisoners.

The social distance from New York to the more affluent neighborhoods in Jakarta is less than the distance from Jakarta out to the rice paddies of Java.

glasnost, Mr. Gorbachev's proclaimed policy of encouraging debate in Soviet society and greater contact with the outside world, and I wrote a column out of our conversation concluding that glasnost would remain a device for loosening chains but not for removing them, unless refuseniks like Mr. Soyfer were allowed to leave.

It has to be said that Gorbachev is the first Soviet leader to have a normal university education in the Soviet Union, and that he is an intelligent man, Mr. Soyfer continued.

and Nyai, a woman in her 30s who had been sold as a concubine to a Dutchman who since has collapsed into bouts of drunkenness.

On one wall of his cluttered study is an austere painting of a wooden hut in near darkness, set against the last tinges of a tropical sunset.

The writer is the author, under the name James North, of "Freedom Rising," an account of Southern Africa. He contributed this to The Washington Post.

Corruption: Congress's Fees Should Be a Crime

By William F. Weld

WASHINGTON—What is necessary to combat corruption in America is to arouse the public's interest in these matters, and here I believe there is some ground for optimism.

public corruption at all levels. Some who oppose this view have conjured up the image of the government as Big Brother, running roughshod over state and local jurisdictions in pursuit of matters of essentially local concern.

let alone his or her vote. And if members did not have to scramble to support their families and two residences, they would have more time to devote to public business.

100, 75 AND 50 YEARS AGO

1888: Southward Ho!
NEW YORK — From the Hot Springs, North Carolina, comes today [April 26] the intelligence of an organization of a "Southern Immigration Company," by a convention of delegates from twelve Southern States.

1913: Landmarks to Go
LONDON — Some more grand old landmarks, which have helped to make England's history, are marked down for destruction.

1938: Italy, Japan Cited
WASHINGTON — Sumner Welles, Assistant Secretary of State, indicated in a mildly worded letter to the Senate Foreign Relations Committee today [April 26] that the United States considered Italy and Japan as treaty violators for their invasions of Ethiopia and China.

The Smile Makes Him Hard to Hit

By David S. Broder

PHILADELPHIA — When Bill Woodward went to work last year as the principal speechwriter for Michael Dukakis, the governor spelled out what he wanted, and didn't want, from his first full-time wordsmith.

That conversation highlights an aspect of Mr. Dukakis's campaign for the Democratic presidential nomination that could make him a tough challenger for George Bush in November.

Mr. Dukakis has postured himself more like the successful Jimmy Carter of 1976, who promised a governing "as good and decent and caring... as the American people," than the Jimmy Carter who lost in 1980 after blaming the country's troubles on a sickness of the national spirit.

Some of Mr. Dukakis's rivals for the nomination fell into that rhetorical trap. Responding to the leftward tug of Democratic primary constituents, Richard Gephardt spoke of an America in decline.

That constituency is made up of the many voters who acknowledge two realities: The first is that Mr. Reagan deserves credit for ending the nightmare of double-digit inflation, for reducing tax rates and for restoring U.S. military power.

Mr. Dukakis has positioned himself to run much the kind of campaign John Kennedy ran in 1960. Kennedy never risked a head-on assault against Eisenhower's record. All he said was, "I think we can do better."

praised for generations, and will not only the feeblest of cries when these priceless assets are threatened with extinction.

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مكتبة الترحيل



OPINION

They Die in Private Wars, Their Agonies Unwitnessed

By A. M. Rosenthal

NEW YORK — American newspapers and television news shows carry firsthand accounts of all the important news of the world — except.

ON MY MIND

and day out, year after year, that almost no attention is paid anymore.

We cannot force open all the doors but at least we can scream, keep screaming and force the censors to pay a price whenever we can.

A quick review of a few of the major stories, involving the sufferings of tens of millions of people, about which the press can provide almost no firsthand information, in word or picture:

Iranians and Iraqis slaughter each other for years. Millions die and hideous chemical weapons are used. Cities are bombed. Both countries occasionally summon foreign correspondents and TV cameras for a quick propaganda tour.

One of the most devastating wars in modern history has been blacked out.

The Afghan war lasts almost a decade. At least a million Afghans die and five million are driven into exile; the total is more than a third of the country's population. Once in a great while, the Soviet invading force allows correspondents a couple of days in Kabul, and occasionally reporters and TV crews risk their lives by crossing the border from Pakistan. But the Soviet Union and its satellite government in Kabul have succeeded in fighting the war almost in private. Nothing is said in the agreements on Soviet withdrawal about at last letting the world see what is going on.

In Ethiopia, the government decides that not only reporters but even foreigners bringing food to a famine area might

help rebel forces. Ethiopians will starve to death; their agencies will have no witness.

China, which the United States treats with exquisite tenderness, comes close to destroying the Tibetan civilization and only the bravery of Tibetans prevents it from succeeding entirely. When the word of riot and oppression leaks out, China kicks foreign correspondents out of Tibet, slams the door. The United States says nothing. Foreign experts on China continue learned analysis of China's liberalization, as if Tibet did not exist.

In South Africa, censorship wipes the reality of apartheid — daily legal oppression and daily revolt — from the TV screen and pushes the story into the inside pages of newspapers.

Mikhail Gorbachev gets enormous coverage in the West for every act of intellectual openness and political discussion he permits. But when Armenians rise in sudden insurrection, no foreign correspondents are permitted to enter the area, and of course no camera crews.

Americans take news blackouts abroad for granted now. Nobody even asks what can be done to stop the nation censors. There are things to be done, at least to take a moral stance.

In South Africa, cutting all diplomatic ties might hurt rather than help the victims. But the United States can downgrade its embassy there to first-secretary level and tell the South Africans to do the same in Washington. It will not end apartheid but it may do a little for Americans' sense of self-respect.

Iran, Iraq and Ethiopia seem beyond caring what the world thinks. But China and the Soviet Union are trying to create new images. This might give the West a little leverage to get some press access to the Tibetans and the Armenians.

Newspapers and TV cannot fight their way into a country. But they could keep the pressure on by running frequent, prominent reminders to the public of stories they are not permitted to cover.

One news blackout can be avoided.

In the beginning of the Palestinian uprising, Israel permitted unwitnessed coverage. This is in vivid contrast to its Arab neighbors, most of whom totally black out coverage of their troubles. There were no reporters around in 1932 when Syria massacred thousands of its own people in the city of Hama.

Israel paid heavily for coverage of the uprising, and now the military often excludes press from trouble spots. Voices in Israel and abroad are heard urging Israel to ban TV cameras altogether.

Country after country has shown that even deep turmoil can be hidden from sight and that the world will soon pay little attention. But it is a particularly unpleasant list of governments, united by taste for tyranny. I think most friends of Israel hope and believe it is not one to which Israel will add its name.

The New York Times

Waging War by Famine

THE Ethiopian government has put two million people at risk of death from famine with its decision to bar foreign relief workers from its northern provinces while it escalates the military campaign against rebel forces. It is a callous action that suggests the government is willing to use starvation where military repression has failed. The government has said it will distribute supplies at cities it still controls in the warring provinces, but the distribution will be limited to ruling party members, civil servants and so-called loyal cadres. This plan only underscores Ethiopia's failure to meet the crisis responsibly.

The Los Angeles Times



Unusable Experiments

A recent decision by the U.S. Environmental Protection Agency to remove from one of its reports data from Nazi concentration camp experiments ("U.S. Agency Rejects Nazi Data on Gas," March 24, first edition) should be enthusiastically applauded. The EPA's administrator, Lee M. Thomas, sensibly followed the recommendation of a letter of protest signed by 22 EPA employees challenging the agency's use of Nazi data on the toxic effects of phosgene, now a common industrial gas, which was used during World War I.

This decision is especially enlightened considering past U.S. use of unethically obtained data. Possibly the most shocking example occurred shortly after World War II, when the U.S. government granted immunity from prosecution for war crimes to high-ranking officers involved in Japan's notorious biological warfare Unit 731 in exchange for data on extensive live human experimentation with biological warfare agents. The guinea pigs were about 3,000 Allied prisoners of war. Some were tied to stakes and exposed to anthrax-contaminated shrapnel, then observed as they suffered excruciating death. Others were infected with dis-

eases such as plague, then dissected, some while still living. None survived. This kind of data was considered extremely valuable because it was based on a kind of experimentation that would be difficult, if not impossible, to carry out in the United States because of public opposition. The data was desired not for use in promoting public health but for the U.S. biological warfare program.

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LETTERS TO THE EDITOR

Japan's Cocky 'New Breed'

Regarding "Japan in Motion: Policies Change Faster Than Attitudes" (Opinion, April 14) by Flora Lewis: The writer says at one point: "The new generation, which is referred to here as a 'new breed,' is different. Younger people are less inclined to seek safety in group conformity; they are more individualistic and concerned with their personal lives." This, she writes, "can bring Japan to open up to the world."

Well, yes, the "new breed" may be more confident and independent. But Japan, being an island nation, has a tendency to be unaware of and unconcerned about the problems and perspectives of other countries. If this trend continues while the younger generation becomes more self-centered, we may end up not with a more open Japan but with a cocky generation of "me-firsts" who are proud of being Japanese and indifferent to less fortunate people abroad.

What the Red-Haired 'Patron' Gave Paris

By Donald Maitland

LONDON — April 1936 was an exciting month. My parents had decided that the family should visit the country whose language we had been studying so assiduously. So we made the journey from Edinburgh to Paris, where we were joined by one of my older brothers, then teaching at a lycée in Grenoble.

Paris today is different. Nearly vanished are the open-backed buses, from whose rear platforms, as from a seat in the orchestra stalls, one could take in the movement, the sounds and smells of the city scene. Gone are the scores of 40-year-old cripples from World War I; gone too are the black-shawled widows selling evening papers at the street corners, their voices rising above the traffic noise — "L'Intransigeant! Paris-Soir!"

The architectural glories and the artistic treasures have, of course, endured. So has the preoccupation with food. It was this latter that took us on our first evening to a restaurant in a corner of the Place de la Madeleine. The world merlan on the menu looked enticing. The waiter assured us in unctuous English that the whitening was excellent. He was wrong. This merlan had the consistency of wet

blotting paper and was full of bones. After sight-seeing the following morning we found a more modest restaurant in the rue Boissy d'Anglas, not far from the Place de la Concorde. The mimeographed carte du jour in the window of La Croisette seemed to offer exactly what we wanted, and at the right price. Lunch was a success. So was dinner, and lunch the following day.

Our waitress clearly thought three consecutive visits merited recognition. Could we stay a few minutes? The patron would soon be finished and would like to meet us. Gladly, we replied.

The patron emerged from downstairs wiping his hands. No one could have looked less like the bustling Parisian we had expected. Orville Cunningham was tall and heavy, with close-cut red hair. He told us he had served as a cook in the U.S. navy. The Great War had brought him to France, where he had met the girl who was now his wife, and he had decided to settle in Paris doing what he most enjoyed — cooking.

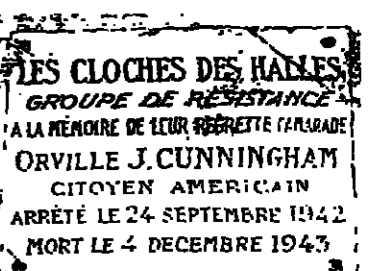
For my brothers and myself this was the beginning of a rewarding friendship. Our meals at La Croisette were invariably a pleasure. Madame Cunningham made a fuss over us. The Cunninghams' teen-age daughter, who had inherited her father's red hair, shyly helped her mother at the seat of custom. The waitress performed her duties with military, or perhaps naval, precision: "Deux haricots — deux!" and "Trois potages — trois!" she would shout down the hatch to the boss below.

In the summer of 1937 I visited Paris again with two of my brothers. This was the year of the International Exposition, and Paris was unbearably hot. Orville Cunningham found us lodgings in the Cité du Retiro, two minutes' walk from La Croisette, and told us what to see and what to miss at the exposition. What no one could miss was the physical confrontation between the Soviet and German pavilions. Symbolizing the armed confrontation between fascism and communism already taking place beyond the Pyrenees, it contained more than a hint of menace.

One Sunday, Cunningham took us by taxi to the races at Auteuil. He said I was too young to place a bet. He rejected my protest but agreed that I could at least mark my card. When I picked the winners of the first two races he relented and let me bet on the third. I lost. "I told you it's a fool's game," he said. As consolation, out of his own winnings he bought me a book — my first beer. From Cunningham we learned not only how to find our way around Paris but also something of the subtleties of French life. We admired the way in which the archetypal middle American had established himself in such a competitive city and won the respect of his friends and clientele. Two years later, in the summer of 1939, I stopped in Paris on my way to vacation in the Dauphiné. Once again Orville Cunningham found me lodging. After dinner at La Croisette we ex-

changed news and discussed the threat of another war. Cunningham was pessimistic and it was with some unease that I headed south the following day. A month later, the signing of the German-Soviet Nonaggression Pact persuaded me, like countless others, to head home. Passing between railroad stations in Paris, I called at La Croisette to see Cunningham and wish him well. He was out on business and I could not spare the time to await his return.

I next visited Paris several years after the war. La Croisette had disappeared from the rue Boissy d'Anglas. Where it had been, at number 23, there was a plaque on the wall. It recorded the arrest of Orville Cunningham in September 1942 and his death in December 1943. The Secrétariat aux Anciens Combats



tants and Henri René Ribière, a distinguished leader of the French Resistance, have provided some of the detail behind these bare facts. From his base at La Croisette, Cunningham acted as paymaster to undercover members of the resistance network in the center of Paris known as les Cloches des Halles. This group was part of the North Liberation Movement led by Captain Simon Cantarozou, who died just seven years ago.

The group suffered severe losses. Of 130 volunteers, 33 were deported (23 of them did not return alive), 17 were killed while fighting at the barricades and 11 were shot by firing squads. Following his arrest by the French militia in 1942, Cunningham was arraigned before a military court, which sat at 11 rue Boissy d'Anglas. More than a year later he was shot without having been tried.

In the high summer of 1944 many American servicemen lost their lives in the liberation of Paris. Nine months earlier another brave American, not in uniform, died in the same cause. It is difficult today to measure Cunningham's courage or to imagine the torment of his last months in captivity. But the esteem and affection in which he was held are evident from the simple message on the plaque in the rue Boissy d'Anglas — from the Cloches des Halles resistance group — to the memory of their famed comrade, Orville J. Cunningham, American citizen.

Sir Donald Maitland, a former British ambassador to Libya and British representative to the United Nations and the European Community, is deputy chairman of the Independent Broadcasting Authority in London. He contributed this view to the International Herald Tribune.

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Creating value



# After Hijacking, Kuwait Revels in National Pride

By Youssef M. Ibrahim  
New York Times Service

**KUWAIT** — The Sabah house was ablaze with festive lights. As guests streamed in, the beat of Bedouin music floated above the expansive structure into the warm midnight air.

Arab men dressed in immaculate white robes took their seats in the *diwaniya*, a room used by important men as a sort of open house for greetings and roundtable talk. Anyone who wishes to come after

dinner to visit or to discuss social and political issues is welcome in the *diwaniya*.

And for the fifth night in a row, they came well into the evening to congratulate Khalid al-Jabir al-Sabah, a member of the ruling family, on the safe release of his son and two daughters after 15 days of captivity aboard a hijacked airliner.

Nothing in the short history of Kuwait has so caught the attention of Kuwaitis as the hijacking, which galvanized a tiny nation of 1.8 mil-

lion people into an impressive show of solidarity and pride.

Kuwaitis are putting the outcome on the scale of national emancipation.

"It has touched every home, every family," said Abdallah al-Roumi, a Kuwaiti oil industry official. "There is tremendous pride in overcoming this challenge from outsiders. It will be remembered for long."

Ever since Wednesday, when the last 31 hostages from the hijacked Kuwait Airways Boeing 747 were freed in Algiers, Kuwait has done nothing but congratulate itself for holding fast against the blackmail of terrorists.

Kuwaitis, who lean toward quiet understatement, seemed to suspend their low-key demeanor on Thursday, when the 31 captives, 27 of them Kuwaitis, returned to Kuwait. Women danced publicly at the airport, security precautions were all but abandoned and merchants offered free meals at restaurants.

Foreign diplomats said the failure of the hijackers to extract concessions from Kuwait was an affirmation of what one West European ambassador called Kuwait's "diplomacy of survival."

Kuwait's previous foreign policy

triumph was persuading the United States, the Soviet Union and Britain to protect Kuwaiti oil tankers from Iranian attacks in the Gulf.

Since 1961, when it became independent of Britain, Kuwait has skillfully navigated its foreign policy in an intimidating environment of giant neighbors. Iran, Iraq and Saudi Arabia all have made territorial demands against Kuwait or other claims on the nation's sovereignty.

As a result, Kuwaitis have come to believe that the slightest hint of softness would invite catastrophe. Such views are openly discussed in the *diwaniyas*, where Kuwaitis of all classes mingle — ruling sheikhs and money changers, Bedouins and cabinet ministers, army commanders and civil servants.

They came well past midnight to Sheikh Sabah's *diwaniya*, a seemingly unending stream of well-wishers, kissing and hugging members of the Sabah family, drinking a bit of sweetened tea, lingering before departing.

"It is so good to be back home," said a beaming Ibrahim Khalid al-Sabah, a businesswoman. "This is such a wonderful country."

Miss Sabah, her sister, Anwaar, and her brother, Fadhil, were the three members of the Kuwaiti rul-

ing family who were held hostage.

"People just come to say hello and wish you well," said Fadhil al-Sabah, a 42-year-old businessman. "Some are strangers, but their kindness was washed away by the bitter days." He bore the brunt of the terror as the only male member of the Sabah family on the flight. He was a prime candidate for murder and intimidation during the 15 days of captivity.

In conversations with a dozen members of the Sabah family and with senior government officials and cabinet ministers, Kuwait's approach to foreign and domestic policy was explained as one of threading carefully around problems and standing firmly against threats.

"Our vulnerability is our strength and our weakness," said Abdelatif al-Hamad, a former finance minister and the chairman of the Arab Fund for Economic and Social Development. "It's like a match. You can only light it once. If you give in once, you pay the price over and over again."

Kuwait officials said the demand by the hijackers for the release of 17 convicted terrorists held in Kuwait was a front for the real aim of the captors: to destabilize the country.

The release of the 17 was not



Kuwaitis cheering a motorcade of former hostages returning from Algiers after the jet hijacking.

the goal," said Mohammed Saïd al-Osseini, the state secretary for foreign affairs. "The goal is to damage the interests of the state of Kuwait. After all, the 17 are in jail

because they hit foreign embassies on Kuwaiti soil as well as Kuwaiti institutions."

Beyond fending off assaults, Kuwait tries to avoid formal alliances

while keeping good relations. "As a country, we did not take an ideological stand toward any regime," said Mr. Osseini. "Our policy is to treat everyone well."

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## Moscow Allows Kurdish Students To March in Protest of Gas Attack

**MOSCOW** — Kurdish students waving photographs of burned and mutilated babies marched through Moscow for nearly an hour Tuesday, shouting "Death to Saddam Hussein," to protest what the Kurds and Iran say was a chemical weapons attack by Iraq.

The police allowed about 50 demonstrators to march from Red Square past government ministries to the Moscow River before they halted the protest against the policies of Mr. Hussein's government in Iraq, which has a friendship treaty with Moscow and buys Soviet arms.

The police broke up the demonstration after negotiating with the students. One demonstrator said the police had threatened to send them back to Iraq if they went through with their intention to march to the Iraqi Embassy. The protesters said some of the students were punished.

The students declared a day of mourning 40 days after Tehran alleged that Baghdad had used poison gas against the Kurdish residents of Halabja, a town in eastern Iraq captured by Iran in mid-March.

"Halabja is the Hiroshima of Kurdistan," the demonstrators shouted as they moved from St. Basil's Cathedral, near the Kremlin wall, to start their march.

They said 10,000 people were killed and another 10,000 injured as chemical fumes enveloped Halabja.

Iran, which took a group of Western reporters to visit the city last month, accused Baghdad of killing 5,000 civilians in the attack March 16. Iraq denies having carried out such an attack.

The students said their protest group consisted mainly of Iraqi Kurds, but it included students from Syria and Turkey.

At times the police appeared perplexed about how to deal with a demonstration that supported a vital Soviet demand on arms control, a ban on chemical weapons, while also attacking an ally.

Baghdad and Moscow signed a friendship treaty in 1972 and the Soviet Union is Iraq's major arms supplier in the Gulf War. But ties have cooled in recent months because Moscow has refused to back an arms embargo against Tehran.

The authorities' attitude toward the march contrasted sharply with

policy on protests by Jews seeking to emigrate, in which the police in Moscow have ripped away banners and detained demonstrators, most recently last week.

The Kurds were allowed to depart peacefully, their posters tucked under their arms.

Red Square has become a site of demonstrations since Crimean Tatars demanding the right to return to their homeland held an unprecedented 24-hour protest there in July.

## Syria, PLO Move Closer Tentatively

**DAMASCUS** — Yasser Arafat, chairman of the Palestine Liberation Organization, left Syria on Tuesday with pledges of support for the uprising in Israeli-occupied territories after his first talks with President Hafez al-Assad in five years.

But Palestinian sources said the issue of the PLO's links with Egypt, which Mr. Assad opposes, was not resolved and had been put to a joint committee.

Mr. Arafat said Tuesday that he and Mr. Assad had agreed on supporting the escalation of the anti-Israeli protests in the West Bank and Gaza Strip.

He said that the outcome of his talks "will serve the interests of the Arab nation and the Palestinian cause and support the escalating of the blessed uprising in our occupied territories."

Asked whether differences remained between him and the Syrian leader, Mr. Arafat said: "There are no differences among the one family."

## Democrats Could Profit In U.S. Trade Bill Fight

**WASHINGTON** — Trying to gain political capital from five years of record trade deficits, Democrats may have struck pay dirt in the threat by President Ronald Reagan to veto a landmark trade bill over a plant-closing notification provision that business opposes.

Democrats think they cannot lose. "We want the bill," said an aide to a Democratic lawmaker. "But even if we don't get the bill, we've got the issue."

The bill contains a provision requiring companies with 100 or more employees to notify their workers 60 days before they close plants or institute major layoffs. Other parts of the legislation, many of them aimed at opening overseas markets such as Japan to U.S. products, are designed to crack down on foreign trade abuses, boost exports and expand assistance for industries and workers hurt by imports.

The Senate majority leader, Robert C. Byrd of West Virginia, said of the position the administration has taken against the notification provision: "What they are saying is this: 'It is okay to give golden parachutes to the big guys, but it is not okay to give the little guy a warning that he is going to lose his job.' Is that fair? Of course not."

Campaign aides to Vice President George Bush, the likely Republican presidential nominee, are concerned the Democrats will be able to gain a political advantage from the issue.

Republican consultants said President Reagan has put the party in a precarious position by placing it on the side of business and against workers. "The issue goes beyond economics to emotions," said Douglas Bailey, a Republican political operative.

"The Democrats lucked out with the best of both worlds," said Kevin P. Phillips, a Republican political analyst.

While the administration has a number of objections to the trade bill, it has decided to abandon most of them, but it has not given in on the layoff notifications. The president calls the provision anti-competitive, and business sees it as the possible start of a number of labor-supported government restrictions on corporate flexibility.

The trade bill sailed through the House last week by a 3-1 ratio and is expected to win Senate approval Wednesday, although by a much smaller majority.

Analysts said it was not possible to tell if there would be enough Senate votes to override a veto of the bill, although the Democratic floor manager, Senator Lloyd Bentsen of Texas, was optimistic.

"It's very close, but we have a real shot," he said. "Things are looking up. We've just picked up some votes."

Senator Max Baucus, Democrat of Montana, said oil- and farm-state Republicans were deserting the president because the trade bill contains benefits for agricultural interests and would repeal the windfall-profits tax on oil.

Because of the sensitive plant-closing issue, administration officials said they are being pressured by Republican lawmakers to make the veto message as broad as possible, blaming several parts of the bill instead of just the politically popular notification section.

But that would complicate administration efforts to get quick passage of another trade bill, without the plant-closing provision, if a veto were to be upheld.

Business lobbyists, who support the trade bill without the plant-closing provision, are advising the White House to issue a narrow veto message aimed at the notification provision. That, they argue, would make it easier to get approval of another bill that has only the plant-closing provision deleted.

Republican consultants, however, said that approach would be untenable in an election year.

Mr. Bailey said a veto on the plant-closing issue alone would be "quite harmful to Mr. Reagan" because it would be "too easily perceived as a lack of caring, a lack of concern, a lack of compassion."

Mr. Phillips said the president "got faked out" and put the Republicans in "a very precarious situation" by basing his threatened veto on the plant-closing notification, which is supported by 70 percent to 80 percent of the public, polls have shown. He said people see the notification as part of an economic security issue that has great political appeal.

## U.S. Resumes Escorting of Kuwait Ships

**KUWAIT** — The U.S. Navy resumed escort Tuesday of reflagged Kuwaiti tankers in the Gulf after a one-week delay following clashes between U.S. and Iranian forces, regional shipping sources said.

They said a convoy including at least one gas carrier entered the Gulf early Tuesday bound for Kuwait, which placed 11 of its tankers under the U.S. flag last year to obtain protection from the U.S. Navy.

U.S. and Iranian warships fought a naval and air battle April 18 after American forces demolished two Iranian oil platforms in the southern Gulf.

Washington said the action against the platforms was in response to Iranian mining of Gulf sea-lanes.

The sources said the U.S. Navy wanted to be sure the routes were clear of mines. Thirteen have been found by U.S. and French minesweepers since the U.S. frigate Samuel B. Roberts hit one April 14 about 70 miles (115 kilometers) east of Bahrain.

The delay also may have been linked to a review in Washington of "rules of engagement" for U.S. forces in the Gulf.

Washington is considering extending U.S. protection — now limited to U.S. flag vessels — to any ship under attack in the waterway.

Fifty merchant ships have been hit so far this year by either Iran or Iraq, who have been at war since 1980. Iraq seeks to choke off Iranian oil exports while Iran strikes back at shipping linked to Iraq's Gulf Arab allies.

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The Kurds were allowed to depart peacefully, their posters tucked under their arms.

Red Square has become a site of demonstrations since Crimean Tatars demanding the right to return to their homeland held an unprecedented 24-hour protest there in July.

## Some Issues Unresolved

**Jonathan C. Randal of The Washington Post reported from Damascus:**

There were indications that the two leaders failed to resolve all differences in their bitter feud.

"We made a big step forward, but it's a long road," said a Palestinian source Monday night.

The source said more PLO-Syrian meetings were required to resolve the complicated issues that for the past five years have divided the two men.

In the absence of detailed accounts of the meeting, analysts said both sides apparently had their reasons for wanting to suggest progress without publicly ending a feud that culminated in Mr. Assad expelling Mr. Arafat from Syria, and Syrian-backed Palestinian dissidents driving Mr. Arafat's loyalists out of northeastern and northern Lebanon in 1983.

It appeared that both men wanted to begin to heal their differences now that the Palestinian uprising has increased attention to the Arab-Israeli dispute.

But such is both leaders' pride that a gradual rapprochement would appear more realistic and lasting than a forced, quick reconciliation that might crack under pressure, analysts said.

## 2 Die in Kurdish Fighting

**DIYARBAKIR, Turkey** — Kurdish rebels entered a village in southeast Turkey on Tuesday and killed a visitor staying with the village headman, local officials said.

Earlier, guerrillas clashed with security forces in the north. One rebel was killed and three soldiers were wounded.

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ARTS / LEISURE

Wagner and Weber In Paris Season of German Romantics

By David Stevens
International Herald Tribune
PARIS — Two Paris theaters...

plane, ending with the radiantly sung final scene by Anne Evans...

Messiaen was running head on into the hurdle that confronts any attempt to hold the "Ring" together...

Ten years before "Der Freischütz," Weber produced his "Abu Hassan," a one-act Singspiel based on one of the tales from "The Thousand and One Nights"...



Holding the trench together in Sherriff's "Journey's End," Jason Connery and Nicky Heuston.

World War I Archetypes, Doing the Decent Thing

By Sheridan Morley
International Herald Tribune
LONDON — "The only good Londoner about World War II," the late Diana Cooper once told me...

cook and the pipe-smoking teacher who were all to become the archetypes of a hundred war movies.

A new production from Southampton at the Whitehall has Jason Connery, son of Sean, as the hard-drinking, wrecked schoolboy Stanhope...

of many of its aims was never for a moment allowed to impinge on the nobility that Sherriff had found around him in the trenches.

"Journey's End" is the clenched, tight-lipped, upper-class English answer to "All Quiet on the Western Front." It neither raises nor resolves any political or military questions about the policies of high command...

At the Theatre Royal, Stratford East, and accurately billed as "a show with songs," passed as the laughter of the morose, tight-lipped but fundamentally hypocritical society of the 1920s...

The Bard: Ay, There's a Rub

By Howell Raines
New York Times Service
LONDON — After days of dispute over a British professor's claim that he had discovered a poem of 14 verses written by William Shakespeare in 1606...

Levi admitted that he had not examined the original manuscript of the poem, which is in the Huntington Library in San Marino, California...

Even so, Macmillan Publishing went ahead on Monday with a plan to publicize Peter Levi's "A Private Commission: New Verses by Shakespeare," by holding a news conference to mark what it called "the literary event of the decade."

But during his news conference at the Barbican Center, Levi acknowledged that he had not been aware until Sunday that the poem was published in 1835 in "New Facts Regarding the Life of Shakespeare," by John Payne Collier.

as the duty of the scholar, not the library. "It does seem odd that he would publish the results of his research before he has done his research," Woodward added.

Levi on Monday defended his failure to go to California as a matter of economics. "I can't afford to jump on a plane to California," he said. "I'm a professor of poetry."

DOONESBURY

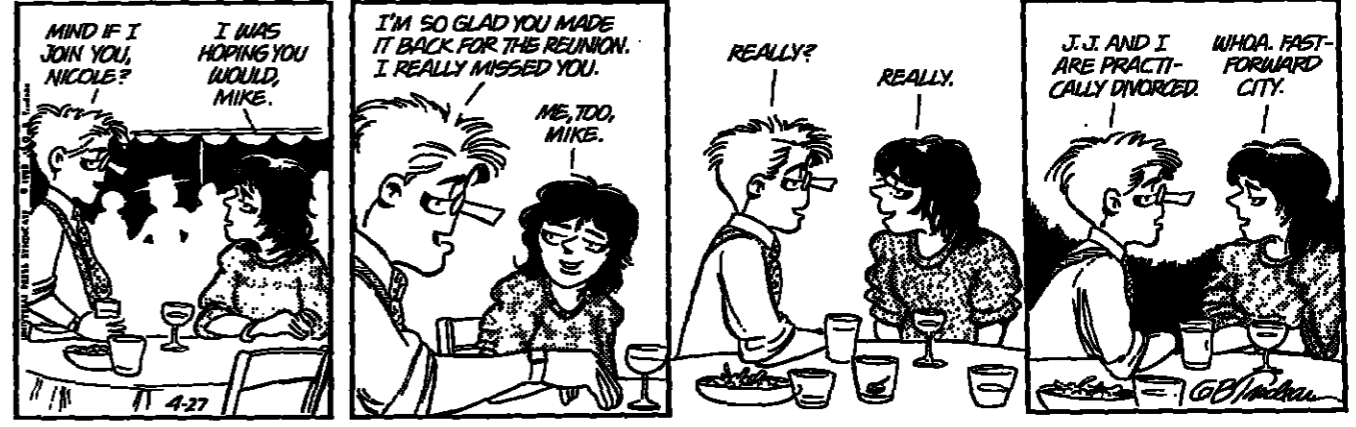


Table with 5 columns: NYSE Most Actives, listing various stocks and their prices.

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Table with 5 columns: NYSE Index, listing index values.

Table with 5 columns: Dow Jones Averages, listing average values.

Table with 5 columns: AMEX Diary, listing AMEX stock activity.

Table with 5 columns: NASDAQ Index, listing NASDAQ index values.

Table with 5 columns: AMEX Most Actives, listing AMEX most active stocks.

Table with 5 columns: AMEX Stock Index, listing AMEX stock index values.

Table with 5 columns: NYSE Diary, listing NYSE stock activity.

Table with 5 columns: NYSE Rises in Moderate Trading, listing NYSE stock activity.

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Freeing business people
Panasonic Office Automation
WEDNESDAY, APRIL 27, 1988

Herald Tribune
BUSINESS/FINANCE

Panasonic Office Automation
Page 9

MADISON AVENUE
Company Offers Formula For Perfect Cup of Coffee

By PHILIP H. DOUGHERTY
New York Times Service
NEW YORK — Melitta Region North America, based in Cherry Hill, New Jersey, is the U.S. marketer of West German-made drip coffee makers, plus the filters, plus the coffee itself. The company considers this a rare, and perhaps unique, combination.

And having those three products all coming out of a single company emboldens H. Helmut Radtke, the president and chief executive, to proclaim, "If you have one of our ingredients, you have a better cup of coffee. If you have all three, you have a perfect cup."
The Melitta brand is made by Melitta-Werke, Bentz & Sohn of Minden, West Germany. The umbrella theme for the television advertising campaign is "Coffee Perfection."
The campaign, put together by Dugan, Valva Associates of Fairfield, New Jersey, with creative work by Azorin & Davis of New York, consists of three 30-second, somewhat tongue-in-cheek commercials. One spot shows an automobile stopping at a European border checkpoint where the guard asks the driver who he is. "A coffee connoisseur," the man responds. "Your papers, please," the guard says. The driver hands him a packet of Melitta Filters.

Another spot shows a man using an electric shaver in front of his bathroom mirror as the voice-over asks if he would like his morning coffee made by a system from a company that also manufactures electric razors and hair dryers and electric toothbrushes, or by one like Melitta, which makes only coffee makers. You can guess which he likes.

About 20,000 American executives will receive Global Business magazine in the mail this week, while 30,000 copies will be distributed in 10 other countries.

The free copy will be coming from Robert Maxwell, the British publisher with global goals. Global Business is being produced by Maxwell Communications' Headway Publications. William Davis, who for 10 years was an editor at Punch, is chairman.

BRITAIN'S Saatchi & Saatchi has acquired another American research company: National Research Group of Los Angeles, which surveys film marketing. The initial payment was \$2.3 million, with a possible total payment of \$10.3 million by 1990 depending on profits.

National Research, which Saatchi considers an entrée into show business, does pre-production studies of consumer attitudes and group interviews during production to discover the ending that would attract the most moviegoers. It also produces a survey of consumer attitudes toward motion pictures.

Another Saatchi subsidiary, Backer Spielvogel Bates, has reached an agreement to acquire a minority position in Diamond Advertising of Seoul. Until recently, South Korea forbade foreign investors in local agencies. Carl Spielvogel, chairman of the U.S. agency, said. The ban has now been lifted.

Both Backer and Diamond are agencies for South Korea's Hyundai cars.

Currently American agencies that want to do business in South Korea have affiliations with local agencies. They include Ogilvy & Mather, BBDO, Lintas Worldwide, Grey Advertising, and J. Walter Thompson.

For the first time in memory, Johnnie Walker Red will go through the fall and holiday season without advertising support. Instead, Schieffelin & Somerset, the U.S. importer, will spend on the advertising spending behind its more expensive big brother.

See MADISON, Page 15

Cartier Extends Reach Acquires Control Of Piaget Group

The Associated Press
PARIS — Cartier SA, the prestigious French maker of luxury goods, said Tuesday that it had acquired a controlling interest in the Swiss watchmakers Piaget SA and Baume & Mercier SA, a move that will give Cartier a commanding share of the quality watch market.

Terms of the transaction were not disclosed. Cartier's chairman, Alain Perin, said the new group aimed at sales of more than \$1 billion this year.

Cartier's consolidated sales rose 36.8 percent last year to \$680 million from \$497 million in 1986, while the combined sales of Piaget and Baume & Mercier were up 15 percent to \$161.9 million.

Mr. Perin said that the acquisition would give Cartier control of more than 40 percent of the \$2.2 billion international luxury watch market and that the combined company should pose a challenge to the famed Swiss watchmaker Rolex.

Piaget Baume & Mercier Holding of Geneva will control 60 percent of both Piaget and Baume & Mercier, with the Piaget family retaining the remaining interest in each company. Piaget will be 75 percent owned by Cartier and 25 percent by Luxco, a Luxembourg-based holding company that Cartier and its partners control.

Both Piaget and Baume & Mercier will retain their management "at least for the time being," Mr. Perin said.

The move follows a wave of mergers and acquisitions in the international luxury goods business, with further consolidation likely in the watchmaking industry.

Mr. Perin disclosed that Cartier hoped, within the next year, to gain a controlling interest in Ebel SA, another Swiss watchmaker. He said that discussions also were under way with two other privately owned European luxury goods companies with a view to expanding Cartier's market share in other product lines. But he declined to give details.

In addition to watches, Cartier is known for its jewelry, cigarette lighters, luxury leather goods and perfumes.



The hectic trading floor of the Chicago Board Options Exchange, the world's largest options market.

Options Markets: The Pits of Disarray But in Post-October Hard Times, Some See Opportunity

By Julia Flynn Siler
New York Times Service

CHICAGO — The huge banner hanging near the trading pits of the Chicago Board Options Exchange and marking Tuesday's 15th anniversary of the opening of the world's biggest options market, proclaimed: "The Best Is Yet to Come."

But with the industry still reeling in the aftermath of Black Monday, investors and professionals around the world might be wondering just when that might be.

It has been a bad six months for the multibillion-dollar options industry, and for the CBOE, the birthplace of formal options trading in the United States. If some Wall Street investors and floor traders lost their shirts in October, more than a few of their counterparts in options wound up stark naked, stripped not only of their stake but owing a lot more besides.

And while the stock market has partly recovered by some measures, the CBOE and other major players in options are hurting almost as badly as when the troubles began.

CBOE trading volume is still off a huge 51 percent from pre-collapse levels. The last sale of an exchange seat brought \$265,000, 43 percent below the 1987 high. Last week the exchange announced a voluntary severance program; it had laid off 10 percent of its staff earlier this year.

Brokerage firms have suffered, too. Commissions on options trades represented 10 percent of the \$12.6 billion in total commissions generated by the securities industry last year. But options commissions fell to 7.8 percent of the total in the fourth quarter, the most recent period for which figures are available.

Perhaps most important, much of the confidence that the options industry had painstakingly built up over the past 15 years has been lost. Small investors, the bread-and-butter of the industry, are staying away. Many are lining up instead in court or before arbitrators, accusing brokers of never fully explaining the dangers of these sophisticated financial instruments.

Meanwhile, regulatory agencies have become increasingly watchful after studies of the October collapse harshly criticized the industry's trading practices at the height of the turmoil.

In short, what the options industry is facing these days is nothing less than a crisis of confidence.

"A lot of people lost money or conviction in the options market," said S. Waite Rawls 3d, a vice chairman at Continental Illinois Corp., parent of First Options of Chicago Inc., the largest U.S. options clearing firm. First Options itself took a \$90 million write-off for customer trading losses on Oct. 19 and 20.

"Options are a dirty word right now," said John R. Power, a market maker for the Standard & Poor's 100-stock index options contract.

Yet amid all the bad news, some market experts see opportunity, too. Institutional investors were hurt badly in October when portfolio insurance strategies using the futures markets failed to protect stock holdings. But many may eventually turn to options as a safer hedge, some experts say.

Such interest would likely be felt first at the CBOE. Founded in 1973, it accounts for nearly 60 percent of options trading in the United States. It trades options on 178 individual stocks as well as on stock market indexes, interest rates and foreign currencies.

Market makers, who are permitted to trade for their own accounts in return for maintaining an orderly market, and floor brokers, who execute retail orders, crowd into the trading pits here. Clearing firms provide the market makers with credit to finance their positions.

Perhaps 75 percent of options customers are small investors, lured by the multipurpose nature of the instrument. Options are contracts that give their owners the right, but not the obligation, to buy or sell stocks or other investments at a set price within a given time.

Conservative investors are drawn by the hedging possibilities of a contract, speculators by its substantial leverage. For a fraction of the price

of a share, which was rejected by the British group's board.

Suchard already owns a 14.9 percent stake in Rowntree, purchased in a market sweep on April 13. Suchard, which paid 630 pence a share, or £160 million, for its stake, at the time said it intended to raise its stake to 25 percent but would not make a bid for Rowntree for at least 12 months unless a third party moved on the British group.

Nestlé's move changed all that, said Klaus Jacobs, chairman of the Zurich-based group that produces coffee and confectionery goods.

"Our hands are untied now. We are free to act," he told Reuters. "We will show the London market shortly how serious we are about Rowntree," he said. "A Swiss does not give up so easily."

Investors and market speculators prepared for a bidding battle by scooping up Rowntree shares, boosting the price far past Nestlé's offer. Shares in the company, which is based in York, northern England, soared to a high of 934 pence, up sharply from Monday's close of 752 pence on the London Stock Exchange. They later closed at 928 pence, up 23 percent.

Rowntree's share price, amid rumors of foreign interest, has nearly doubled since the eve of Suchard's market raid.

"We wouldn't expect Rowntree to fall over at the first price," said

Nestlé Offers £2.1 Billion For Rowntree

By Warren Getler
International Herald Tribune

LONDON — Nestlé SA, the Swiss food giant, launched an unsolicited £2.1 billion (\$3.93 billion) cash bid Tuesday for the British confectioner Rowntree PLC, rousing a smaller Swiss multinational food group, Jacobs Suchard AG, to consider a counteroffer.

The bid is the largest by any foreign company for a British-based concern, exceeding the previous record of £1.8 billion offered by the Australian conglomerate, Elders IXL, in its unsuccessful bid for Allied-Lyons PLC in 1986.

Several analysts cautioned that British regulatory officials might consider referring Nestlé's bid to the government's Monopolies and Mergers Commission.

Nestlé, which said it held 4.6 percent of Rowntree, offered 890 pence a share, which was rejected by the British group's board.

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"We wouldn't expect Rowntree to fall over at the first price," said

Julian Lakin, foods analyst with Citicorp Securities, the London brokers. "I would expect Rowntree's management, if they feel have to accept an offer, will press for a higher price."

He added that "in terms of depth of pocket, Nestlé is a mammoth operation and could clearly outbid most other predators."

Nestlé posted profit of 1.83 billion Swiss francs (\$1.32 billion) in 1987 on sales of 35.2 billion Swiss francs. A bid by the company, which acquired the U.S. food group Carnation Co. in 1984 for \$3 billion, had been mentioned in press speculation for some time.

Suchard, which makes Toblerone chocolate bars and has also been expanding recently, reported a record profit of 265 million Swiss francs on sales of 6.1 billion francs for last year.

The moves on Rowntree by Nestlé and Suchard reflect the importance these big multinationals attach to the British confectionery market, which boasts the world's third highest per capita chocolate consumption. At 7.9 kilograms (17.4 pounds) a year, it ranks only behind Switzerland itself with 10.9 kilograms and Norway with 8.1 kilograms.

Rowntree, well-known for Kit Kat bars and Smarties chocolates, reported 1987 pretax profit of £112.1 million on sales of £1.4 billion, and a net of £88 million.

Analysts expect pretax profit to jump to £125 million to £130 million this year.

The Nestlé bid also reflects an extension of a trend in Europe toward unsolicited, often hostile takeover bids, highlighted most dramatically by the Italian financier Carlo de Benedetti's unsuccessful bid for control of Société Générale de Belgique SA.

Nestlé recently agreed to purchase a majority stake in Buitoni SpA from Mr. de Benedetti for 1.6 trillion lire (\$1.3 billion).

Analysts also suggested that a bid for Rowntree could emerge from a U.S. group, such as Hershey Foods Corp.

"Rowntree is a collector's item and so far there are only two collectors, but a third may appear," said David Lang, food analyst at Henderson Crostwhite in London.

Currency Rates

Table with columns for Currency, Rate, and Date (April 26). Includes entries for Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich, and ECU.

Source: Reuters. Rates in other currencies. New York closing rates. Commercial franc to U.S. dollar: 6.55. Units of 100 N.A.S. not quoted; N.A.S. not available.

Other Dollar Values

Table with columns for Currency, Par \$, and Rate. Includes entries for Argentina, Australia, Austria, Belgium, Brazil, Canada, Denmark, Hong Kong, India, Israel, Italy, Japan, Korea, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, United Kingdom, West Germany, and Yugoslavia.

Source: Reuters. Rates in other currencies. New York closing rates. Commercial franc to U.S. dollar: 6.55. Units of 100 N.A.S. not quoted; N.A.S. not available.

Interest Rates

Table with columns for Currency, Term, and Rate. Includes entries for Eurocurrency deposits for Dollar, D-Mark, Swiss, Sterling, French, Yen, and ECU.

Source: Reuters. Rates in other currencies. New York closing rates. Commercial franc to U.S. dollar: 6.55. Units of 100 N.A.S. not quoted; N.A.S. not available.

Key Money Rates

Table with columns for Instrument, Rate, and Date (April 25). Includes entries for United States, Discount rate, Prime rate, Federal funds, Call money, 3-month Treasury bills, 6-month Treasury bills, 9-month Treasury bills, 1-year Treasury bills, 3-month CD's, and 6-month CD's.

Source: Reuters. Rates in other currencies. New York closing rates. Commercial franc to U.S. dollar: 6.55. Units of 100 N.A.S. not quoted; N.A.S. not available.

West Germany

Table with columns for Instrument, Rate, and Date (April 25). Includes entries for Discount rate, Lender rate, Overhead rate, 1-month interbank, 3-month interbank, and 6-month interbank.

Source: Reuters. Rates in other currencies. New York closing rates. Commercial franc to U.S. dollar: 6.55. Units of 100 N.A.S. not quoted; N.A.S. not available.

Ad Group Expands In France

Reuters
LONDON — The rapidly expanding British advertising agency WCRS Group PLC said Tuesday that it had formally agreed to acquire 50 percent of the French media buying group SGGMD for an initial payment of 688.7 million French francs (\$121 million).

The acquisition, which will be WCRS Group's largest to date, is the latest consolidation among European media and advertising companies with a view to 1992, when Europe's internal trade barriers are due to be dismantled.

With this move, the British group is also continuing its expansion into France. In September it announced the acquisition of a 49 percent stake in Group Belier, France's largest advertising agency, from the parent, Eurocom SA. It also has acquired substantial U.S. holdings.

Gilbert Gross, chairman of the French company, said, "By 1992, the single European market date, it will all have happened as far as the media is concerned. The great changes and restructuring are happening now because of deregulation and new technology."

This agency marriage, he added, "means the WCRS Group is able to respond to all the opportunities thrown up by the radical changes in the media."

Among its activities, the French company purchases about 20 percent of all television, cinema and magazine advertising in France. It also buys substantial amounts of press and outside advertising space, the British company said.

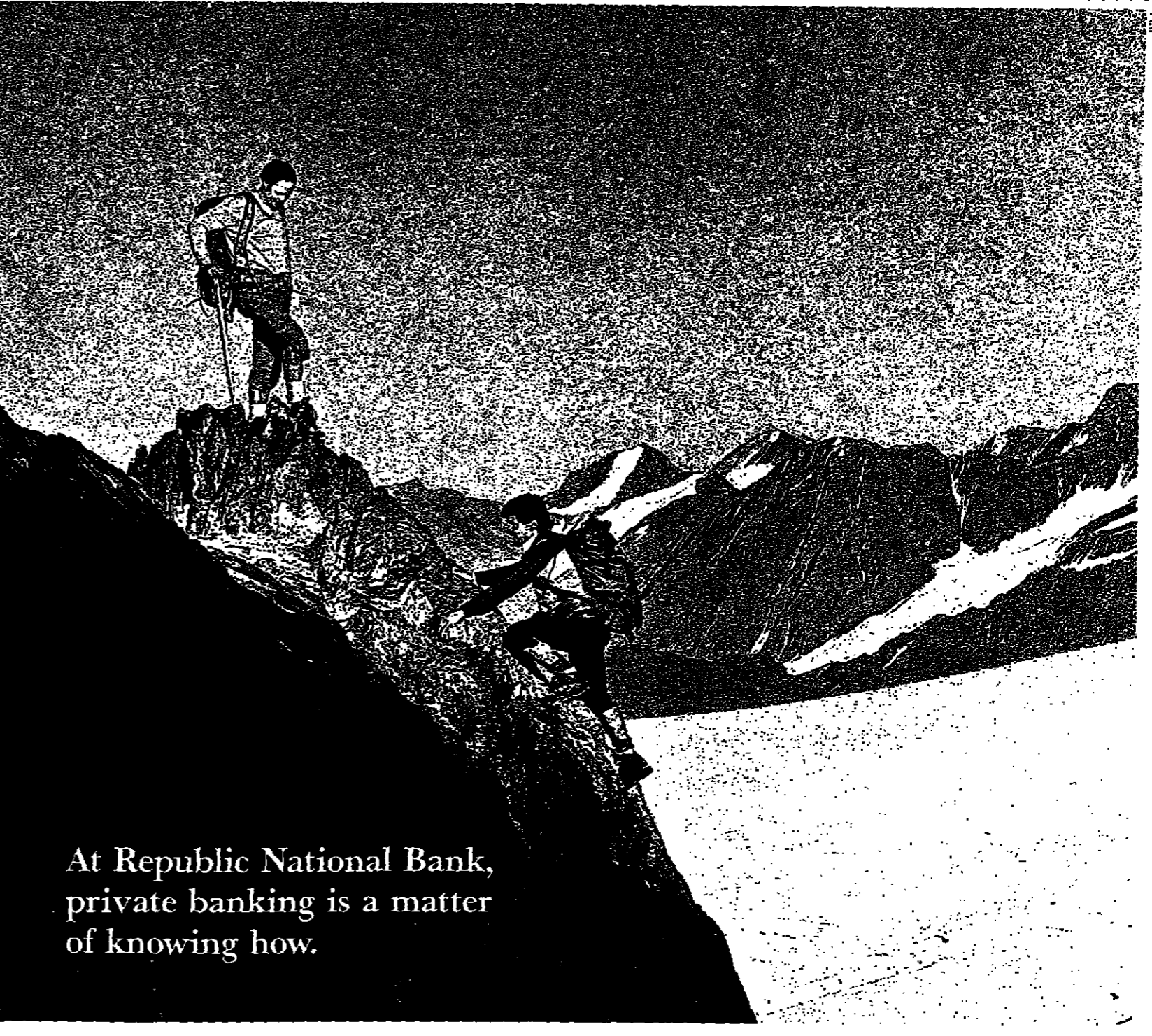
WCRS said its 50 percent stake in the French agency would be placed in a new holding company, Carat SA, with the other half owned by Société Financière Européenne de Communication, a holding company that will be formed by SGGMD's current owners.

It said this structure would give the French group access to WCRS's varied capabilities, while giving management independent control of day-to-day business.

The payment is initial, because as in many purchases of advertising companies, further payments will be linked to results.

The British company said that the initial payment of 688.7 million francs was calculated on the basis of profit and estimated profit from 1986 to 1989. The French agency had 1987 pretax profit of 462 million francs on sales of 6.96 billion francs.

Depending on the profit out- See WCRS, Page 15



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MARKETS REVIEW
VERY MONDAY
NEW OF WORLD
GETS ESSENTIAL
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S - WORLD



INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 26th April 1988

Table listing various international funds with columns for fund name, currency, and price. Includes sub-sections like 'Other Funds' and 'REPUBLIC NATIONAL BANK OF NEW YORK'.

U.S. Futures Via The Associated Press

Table of U.S. Futures prices for various commodities including Coffee, Grains, Soybeans, and Livestock.

Food

Table of Food futures prices for items like Coffee, Cocoa, and Sugar.

Metals

Table of Metals futures prices for Copper, Aluminum, and Platinum.

EURODOLLARS (HAM)

Table of Eurodollars rates for various maturities and currencies.

BRITISH POUNDS (HAM)

Table of British Pounds rates for various maturities and currencies.

Advertisement for Republic National Bank of New York, including consolidated statements of condition and summary of results.

Currency Options

Table of Currency Options prices for various currencies and maturities.

Financial

Table of Financial market data including US Treasury Bonds and Municipal Bonds.

Stock Indexes

Table of Stock Indexes for various markets including S&P 500 and Nikkei.

Commodity Indexes

Table of Commodity Indexes for various raw materials and energy sources.

Paris Commodities

Table of Paris Commodities prices for items like Sugar and Coffee.

London Metals

Table of London Metals prices for Aluminum and Copper.

Dividends

Table of Dividends for various companies.

London Commodities

Table of London Commodities prices for items like Wheat and Corn.

S&P 100 Index Options

Table of S&P 100 Index Options prices.

Advertisement for BET Plans to Sell Argus Press Unit, detailing the sale of a publishing subsidiary.

U.S. Treasuries

Table of U.S. Treasuries prices for various maturities.

DM Futures Options

Table of DM Futures Options prices.

BET Plans to Sell Argus Press Unit

Continuation of the advertisement for the sale of the Argus Press Unit, including details about the company and the sale process.

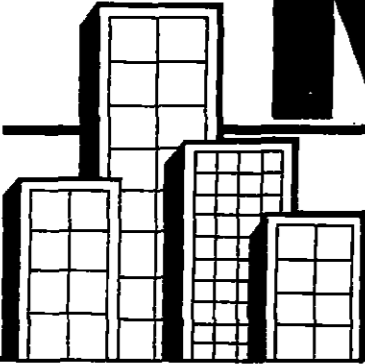
Arabic text at the bottom left of the page, likely a watermark or a separate notice.







# FRENCH COMMERCIAL REAL ESTATE



Service, selectivity, ambitious schemes for urban renewal and record levels of foreign investment sustain commercial real estate market growth.

## Strong Market Leads to Greater Selectivity

FOR the Paris office market, the turning point was 1986. Before the government's permit regulations, the problem of finding affordable space (or any space at all) was acute. Since then, thanks to a construction boom, there has been some relief.

Today, the market seems more settled. This year should see the completion of more new office buildings, princi-

pally in the outlying Paris area, and lead to a let-up on the capital's office market. According to a recent report by Bourdais Consultants, "the only enterprises that will remain in Paris are those that have deliberately made this choice for reasons of strategy or prestige."

Professionals agree that the current market situation has led to greater selectivity. "The location of the building near

good highway and public transportation systems is a primary concern," says Christian Pelletier, the dynamic developer of La Défense, "as are the intrinsic services it can offer. The building of today is no longer an empty box you fill up with a table and chair and typewriter."

Renovation has become a "must" for companies seeking offices in the capital. According to Jean-Pierre Veron, com-

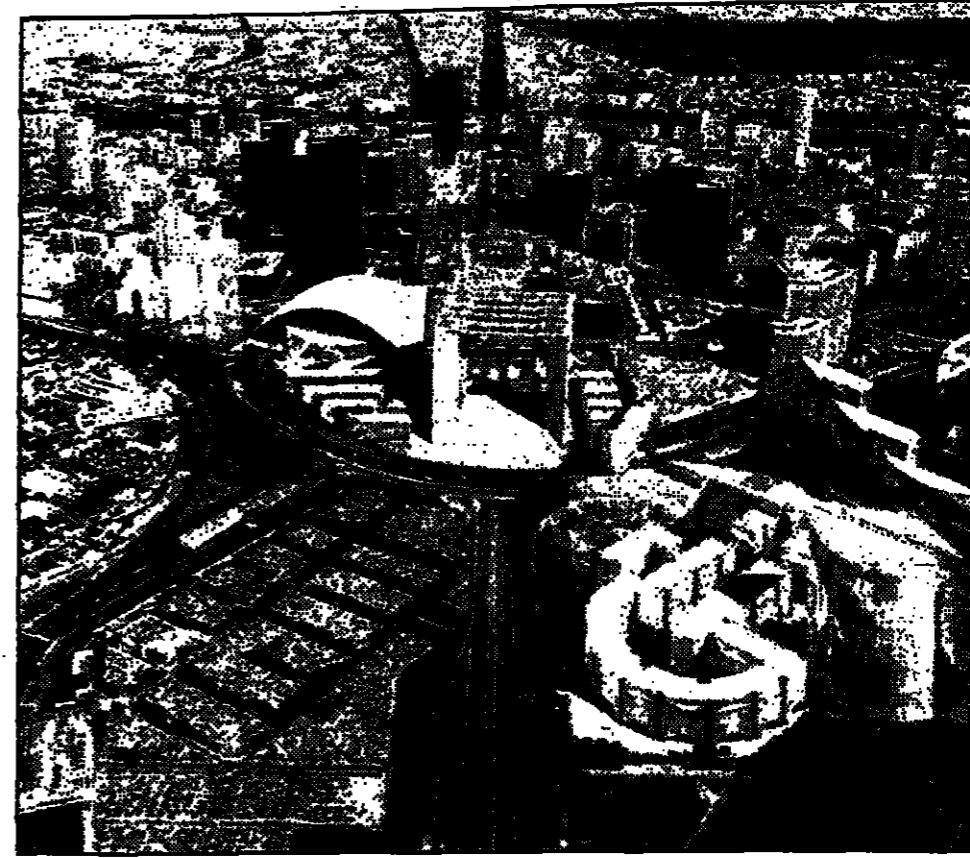
mercial property manager at Kaufman and Broad Développement: "The scarcity of land in Paris means that it is becoming necessary to update existing buildings. It is too expensive in many cases to demolish and more efficient to furnish a technological support. The renovation market is the marker of the future in Paris."

Initial fears that economic and political uncertainty

would have a negative impact on the market have so far proven false.

Despite the October stock market crash and upcoming French presidential elections, "strong" and "solid" are still the two words most commonly used to describe the current state of the Paris real estate market.

According to Robert Waterland, president of Jones Lang Wootton (France), con-



La Défense, already a thriving commercial sector, is continuing to grow. This photo-montage shows how the area should look by 1990.

tinuing confidence among clients meant that deals negotiated before the crash were duly signed in the wake of "Black Monday."

Indeed, for some companies, business has actually improved since the crash. Says Michel Maurer, the President of Cogedim: "We have been the involuntary beneficiaries of the crash. There is a very

clear return to both commercial and residential property."

For Alain Houpillart, publisher of the real estate newsletter *Lesive M2*: "It is too early to analyze the effects of the October stock market crash on the real estate market. What we see is that buildings continue to sell quickly for high prices in a closed circuit."

Robert Lipscomb, partner at Healey & Baker, comments: "Initially there were little or no repercussions in the property world, simply because property is slower to react. Even now, some months later, I would say there are no visible signs that the crash has affected property at all."

## Foreign Investment: A Two-Way Street

FOREIGN investment accounts for less than 10 percent of the 25 billion franc (\$4.4 billion) French commercial property market, according to a recent report by Robert Lipscomb, partner at Healey & Baker.

Last year, foreign investment in French commercial property rose to 20 percent due to one single transaction:

the sale by Kaufman & Broad Développement of the Montparnasse operation to Kowa Real Estate for 2.5 billion francs.

But the French market is still, by and large, a national preserve. "The French have always dominated their own market," says Robert Waterland, president of Jones Lang Wootton, France.

While the British are still the leading overseas investors, their share of the foreign investment market has dropped from 80 percent to near 36 percent today, according to the Healey & Baker report.

Mr. Waterland cites fluctuating currency rates, political changes and "the Anglo-Saxon penchant toward short- to medium-term investment" as the reasons behind this decline.

Shopping centers, nevertheless, have proved to be an attractive investment. The record for such investments, in terms of size, was set when Norwich Union Insurance recently acquired a 25,000 square meter (269,000 square feet) retail extension to the Parly II center, west of Paris, for 500 million francs. Norwich Union Insurance has also purchased 3,000 square meters at Center Grenoble, Grenoble, and 4,000 square meters at Les Quatre Roues in Le Mans. Hammerson, meanwhile, is developing a 7,000 square me-



Japanese investment is helping develop the Pastour Montparnasse project on a prime site in Paris.

ter complex of shops and offices in Marseille.

With the petrodollar down, investment by Middle Eastern purchasers has been limited to a few spectacular but isolated deals. Still the second most important group on the market, their properties are limited principally to choice areas in Paris.

The Dutch have also been present on the French market since the 1970s. According to Healey & Baker, the Dutch search for high yields has led them to invest in shopping centers in Nice, Bordeaux and Saint-Etienne as well as in the headquarters building of the European Parliament in Strasbourg.

The Japanese are the newest arrivals on the French

market. Takefumi Kubota, president of C. Itoh France, a Japanese trading company, says that future Japanese investment in the French market will be driven by Japanese industries setting up operations in readiness for 1992. So far, says Kubota, 34 Japanese companies in France have created 10,000 jobs — a trend that both the Japanese and the French government would like to see continue.

The level of Japanese investment still remains relatively low. At the end of 1987, worldwide Japanese real estate investment totaled \$20 billion, of which 70 percent was in the U.S., 18 percent in Australia and 11 percent in Europe and other countries. Of that 11 percent, Japan's \$700 million investment in France was only half that of its investment in the U.K., but way ahead of the \$100 million invested in West Germany.

The positive points of the French market, says Shigeatsu Tomimaga, deputy general manager of the Paris branch of the Industrial Bank of Japan, are "a stable, non speculative market," a relatively good rate of return on investment compared to New York or Tokyo, and a market which is "hard to penetrate but interesting once you get in."

On the negative side, says Mr. Tomimaga, Japanese investors are very cautious about the exchange rate and the difference between the rate of return and French interest rates, which are higher than those in Japan.

"Compared to New York or London, Japanese investors are prudent about investing in the French market," says Mr. Tomimaga, "but with the dramatic fall of the dollar Japanese investors are beginning to study the possibility of diversifying." According to Mr. Kubota, Japanese investment in real estate in France, with the exception of production facilities, could reach \$100-150 million a year.

Some French companies are actively encouraging foreign investment in their projects. The Aéroports de Paris (ADP) is actively seeking foreign investment for an international business center. Says Guy Benfeld, manager of real estate development and sales at the ADP: "Our strategy is to attract American and Japanese investors who will at the same time bring in firms." Conversely, this year Jones Lang Wootton will be investing 250 million francs overseas for French investors. It expects the French to "massively invest" in Europe and, says Robert Waterland: "By the 1990s, the French will be looking not just at Europe but at New York, Singapore and Hong Kong."

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### LYON — A NEW DIMENSION

Lyon is preparing for the third millennium by affirming its international importance. The city's determination to flourish in the economic, technological and scientific fields is evident in its major urban projects policy. Instigated by Francisque Collomb, Mayor of Lyon and President of the Lyon Urban Council, and his senior Vice-President, Jean Rigaud, this policy is a natural outcome of historic and geographic development that will make the city of Lyon a strategic metropolis in tomorrow's Europe. Here, Jacques Moulinier, Deputy Mayor of Lyon, investigates the city's new dimension.

Can Lyon be described as a major international metropolis? That goes without saying when you consider its 2,500 years of history, and the strategic position it occupies at the heart of Europe. Starting with an advantage like that, we believe Lyon can be described as a key international metropolis of the future.

Each extremity of the city is a closely-studied component in this design, integrating Lyon's natural environment and the waterways of the Rhône and the Saône. North and south of the city are two development zones: Lyon Gerland and Lyon International.

What are the respective functions of these two zones? Their functions developed naturally, Lyon Gerland is based in an area traditionally devoted to industrial development. Today, this is a modern science and technology complex. Lyon International is built on the site of the old Town Market Center. The convenience of this spot and its symbolic ties make it an ideal context for promoting the international role of Lyon and its surrounding region. These zones are not however limited to a single function, as they are both fully integrated urban districts.

Is that an example of what you have called a balanced distribution of the city's key functions? Precisely. It is an approach that makes perfect sense. Forty hectares in the center of Lyon Gerland are devoted to science and technology. This area includes companies and research laboratories such as the Institut Mérieux, Schlumberger, Télémechanic, Roiret, the Institut Pasteur and the CNRS — with the crowning presence of the Ecole Normale Supérieure — all neatly dovetailed into a residential area overlooking the city's twin rivers.

It is a town growing organically from within, with an economic and social center, a leisure park of 80 hectares, a planned 200-foot leisure port, and space for cultural activities. When the Tony Garnier Hall re-opens, it will concentrate on the ever-changing landscape of transport, communications technology and scientific advance, serving as an important national exhibition center.

This policy of ensuring a balanced distribution of essential functions has led us to encourage community involvement and solidarity at every level throughout the Lyon area; an example is the close involvement of students from the Ecole Normale Supérieure in the life of their community.

How does Lyon Gerland fit into the international context? As the city's southern gateway, Gerland is an artery linking Lyon with the rest of Europe — a mark of its strategic importance, internationally. The expansion of its businesses, the undisputed reputation of its research laboratories, and the welcome extended to foreign academics and students by the Ecole Normale Supérieure, are just a few of the important factors that place Lyon Gerland firmly in an international context.

So, this is a common feature linking the city's two strategic 'strongholds'? It seemed important to us to ensure the development of a sophisticated social, academic and economic infrastructure within the framework of an enlightened policy of location. These strategic 'strongholds', facing outwards and inwards, are a distinguishing characteristic of the Lyon. The international zone is only minutes from Lyon's administrative center, and less than an hour from Geneva.

What are the City Council's aims in establishing Lyon International? Lyon International will host a wide range of international activities. The first complex is already underway. This will house Interpol's international headquarters and will be operational next year.

The second major complex will then commence: a 2,000-seat Conference Center, combined with an international hotel and all the appropriate commercial facilities and services. The timing, scale and central location of this facility, make it a strategic element in the overall project, and the focal point of Lyon International.

At the same time, this zone will see the development of a services infrastructure to facilitate the setting-up of European headquarters by international companies from inside and outside Europe. So, businesses in need of a strategic location in the new open European Market will find what they are looking for in Lyon.

The layout of this zone will be an important factor in ensuring the synergy essential to its success. A bright, interior avenue, stretching the full length of the site and lined with new and renovated buildings, will be the backbone of the complex — a nerve-center breathing dynamism into the business, cultural and leisure activities of surrounding area.

As Renzo Piano has put it, "the remarkably natural environment of this site evokes one of the burning issues of the fin de siècle architecture: a concern with the relationship between construction and nature; a kind of gradual thwarting of a long-standing assault of the monumental on the urban landscape. Only an insubstantial, transparent, non-aggressive architecture can respect this subtle balance."

What more can one say? The city of Lyon represents a triumph of modernity over modernism, in providing its citizens and foreign residents with a living, urban space on a human scale and harmony with nature.

**CITE INTERNATIONALE DE LYON**  
Quai Achille-Lignon, 69459 Lyon Cedex 06. Tel.: 78.93.27.50

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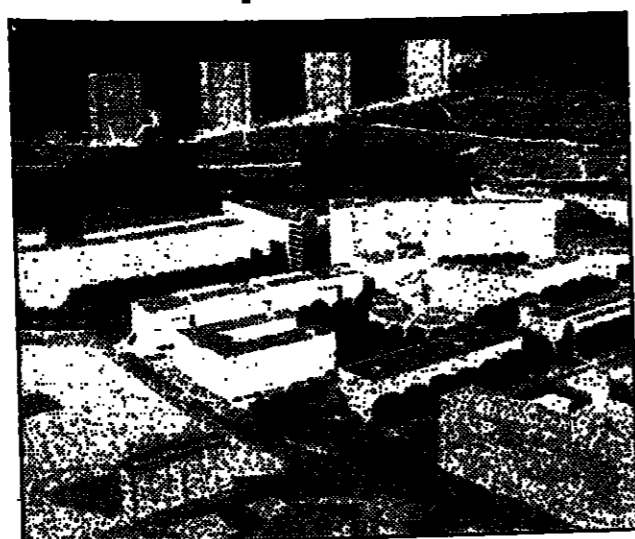


ADVERTISING SECTION

# Lyon: From Metropolitan to Cosmopolitan Center

**T**HE capital of the Gauls could have quietly rested on its laurels as a city known for great gastronomy, good geography, pleasant living and a rich past.

But Lyon is hardly a sleepy town — and the City Fathers are firmly bent on establishing this metropolis of 1.5 million inhabitants as both a major regional and international hub in readiness for 1992. "Europe," says Michel Rivoire, director general of the Department of Urban Development of the Lyon Urban Community (COURLY), "is undergoing a new Renaissance and we want to be part of it."



Northwest of Lyon - The Quartier Saint Pierre.

To place itself firmly in the forefront of the action, COURLY has embarked on an ambitious course of action. Prime targets include the creation of science parks, the renovation of urban areas, the extension of the metro lines and the reworking of highway routes.

By 1990, the barriers imposed by the city's hills and rivers will be removed by the construction of a fourth underground metro line to link the west and east sides of the city. Another important development will involve rerouting the A6 highway to the east of the town, so freeing the city center from its usual summer traffic snarls. "It's neither easy nor comfortable," says Jacques Moulinier, deputy mayor of Lyon. "It's a battle that has to be won every day."

### Opening Up Lyon's Doors

With the creation of the Association for the Development of the Region of Lyon (ADERLY) in 1974, Lyon started opening its doors to the outside world. Created by the Urban Community of Lyon,

the Chamber of Commerce and Industry and the Groupement Interprofessionnel Lyonnais, ADERLY's main job is to attract enterprises and help them set up operations.

Feathers in ADERLY's cap include the subsequent arrival of firms such as Rhône-Poulenc (France), Hewlett Packard, Monsanto, Fisons (Great Britain), and Bizerba (West Germany). SEPTEN, a branch of the Electricité de France, came to Lyon in 1984. Framatome, a French nuclear energy company which decentralized to Lyon in 1979 with 200 people, has since grown to 1400. In 1987 ADERLY's efforts led to 61 companies settling in Lyon, and so generated 403 new jobs.

Another of ADERLY's goals is to promote Lyon's privileged location at the northern point of a triangle extending south to the Mediterranean. Says Pierre-Yves Tesse, development director for Lyon at ADERLY, the city has "a role to play in the evolution of the sunbelt phenomenon." Within a radius of 300 miles, companies based in Lyon can tap

consumer market of 15 million inhabitants in southeastern France as well as 23 million consumers in the southern European market.

### Lyon's Major Projects

With a global budget of 20 billion francs a year, a series of major projects have been launched to improve the city's shopping and office centers, residential areas and transportation facilities.

At Gerland, a newly renovated neighborhood in the south of the city, the Tony Garnier Science Park has developed around the Ecole Normale Supérieure, France's prestigious post-graduate school. Students, says director Guy Aubert, are unconcerned about leaving the capital. Over 2,800 candidates applied for the school's 93 places in 1987; this year 3,200 applicants vied for 100 places.

Two further zones also encourage closer relations between education, research and industry. The technopolis of Lyon-Ouest specializes in data processing and management, and the technopolis of Lyons-La Doua forms a focus for the future "Cité Internationale."

In the northwest, Vaise show the effects of close cooperation between private enterprise, the Lyon Urban Community and the Chamber of Commerce. There, on the site of a former textile factory, Rhône-Poulenc is building a 23,000 square meter headquarters for 800 employees plus a 3,500 square meter data processing center. When completed, the renovated neighborhood, called the "Quartier Saint-Pierre," will offer 43,000 square meters of housing, 54,300 square meters of offices, 43,200 square meters of warehouses and 3,100 square meters of shops. Auguste Thouard et Regions will be marketing the land and the office buildings.

La Part-Dieu, a shopping and business center adjacent to the train station, was developed twenty years ago by the SERL (Société d'Équipement de la Région Lyonnaise). Now it is being extended toward the east side of the city. Decentralization and the two-hour link between Lyon and Paris have both contributed to the success of this project which, says SERL Director

General Gérard Dumas, "has become not just the principal administrative and commercial center for the region but a truly European center."

### Lyon's "micro-markets"

Lyon's bustling activity and proximity to Paris plus a solid financial community with an active Second Market has created an office market that is solid and attractive to investors. In 1987, 150,000 square meters of offices were sold, up from 127,000 square meters in 1986. "Investors from Paris have been willing to buy buildings before they are constructed, something which is totally original in the provinces," says Jacqueline Bonino, deputy regional manager of Auguste Thouard in Lyon.

### Real-estate professionals

say that Lyon is composed of a series of "micro markets." These include the "presqu'île," Lyon's "Golden Triangle," La Part Dieu, Villeurbanne and Le Tonkin, the west of Lyon (Dardilly, Ecully), Vaise, the Bron Triangle and Gerland. According to Brice Robert, manager of the Brice Robert real-estate consulting firm in Lyon which last year formed a partnership with Groupe Pélège, "it's a market in full expansion in which there will be slightly too much offer in the city center and a good balance between offer and demand in the other micro markets." Brice Robert is currently commercializing the 16,000 square meter "Tour Société Suisse" at La Part Dieu for a Swiss investor and L'Apogée, a 5,000 square meter building, with the Kuwait French Bank.

As in Paris, the demand is now for smaller office space and a central location. According to a report published by Balay, Prenot, Jean Thouard on Lyon real estate in 1987, the average rental space is now under 200 square meters and the divisibility of a building is an important criterion for good commercialization. With the exception of the "presqu'île," where space is extremely tight and rents can go as high as 1000 francs per square meter, average rental prices are approximately 600 francs per square meter.

Pitance, a Lyon developer, who built the Gemelyon office buildings near La Part Dieu, qualifies the Lyon office market as "hesitant." "Competitive and difficult" are the adjectives favored by Pierre Brault, director of Deguilhem Féau-Hampton.

This may be the price of success, as more and more companies discover the advantages of locating in Lyon. "In what other major metropolitan city in France," asks Bernard Jammes of Balay, Prenot, Jean Thouard, "can you get up in the morning, take the train to Paris and be back to your office in the afternoon?"

# Smart Buildings Welcome Business

**W**HEN Bouygues' 3,000 employees moved into their new headquarters last fall, they found a building that was not just architecturally stunning with its atria, transparent elevators, and real trees and plants thriving on the light inside, but a total environment designed to make life at work something less of a drudge. Located near the Paris suburb of Saint-Quentin-en-Yvelines, "Challenger," as the gleaming white complex of buildings is called, is the first company headquarters in France to be conceived and built to be "intelligent."

Non-negligible extras include a sauna and jacuzzi, an in-house travel agency and a hairdresser as well as a special business lounge and a restaurant for the company's executives. Challenger's employees enter the grounds with a magnetic ID card which carries a confidential access code. The card is also used as "money" for meals and coffee at the spacious self-service cafeteria located inside the central building. The same cards can also be used to punch time.

Yet the real "smartness" of the building lies behind the scenes. A sophisticated system of pre-cabling — some 239 kilometers (149 miles) of copper cables, hidden under 45,000 square meters of raised floors — serves 2,800 workstations. Ten kilometers of fiber-optic links provide communication hookups between buildings.

The IBM Token Ring system, one of the latest products developed by IBM research laboratories, is being used throughout Challenger. The new office buildings are equipped with 68 rings connected by backbone rings. Microcomputers and terminals connected to a ring form a user-friendly network. At the workstations, employees use an electronic office communications system for the electronic distribution of docu-

ments, filing, time management and planning.

A system of building automation controls the temperature of the different rooms for maximum energy saving. Challenger technicians are currently working on a direct control system for the regulation of temperature from individual work posts. In the near future, if a secretary wants to reserve a room for a conference, she can also order the heat or air conditioning to be turned on an hour before the participants arrive.

Benefiting from the experience of Challenger, last fall IBM and Bouygues created IB2 Technologies, a company whose task is to help companies either build their own smart building or renovate existing buildings. IB2 Technologies' clients so far include the Hospital of Rouen, a biotechnology company and the International Center of Advanced Communication at Sophia Antipolis. "In the very near future," says Denis Chin, president of IB2 Technologies, "every building in France will be pre-cabled; stumbling over cables and cords will be a thing of the past."

Rival company Spic Batignolles, one of the world's leading construction and general contractor groups, is currently

moving into its own "smart" headquarters at the Parc Saint Christophe, northwest of Paris in Cergy-Pontoise. Spic is using the Bull Cabling System for the group's data and telephone networks at the Parc Saint Christophe, where 3,500 workstations are being installed in 25 two-to three-story buildings spread over a 50 hectare site. Some 3,500 "communication columns" hide cables which feed electrical power, telephone, and computer outlets.

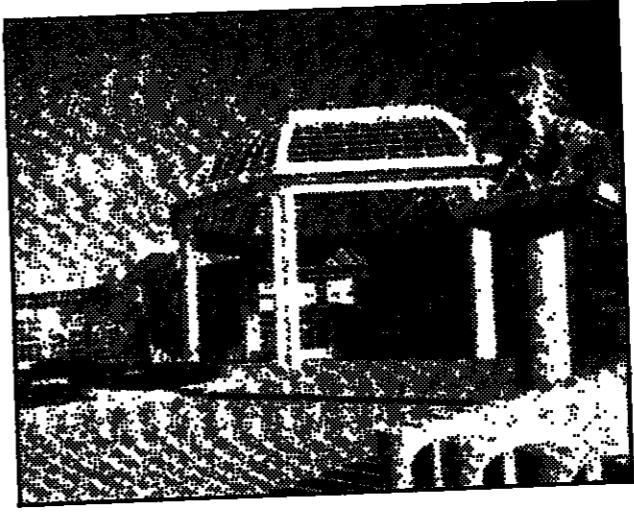
Partly as a result of working on the Spic headquarters, Spic, Bull, and JS Telecommunications in March announced the creation of OSITEL, a company which will design and help implement integrated communication systems for companies wanting to create their own smart buildings. The market is there: Georges de Buffévent, President of Spic, estimates that there are 3 to 6 million square meters of buildings representing a 2 to 5 billion franc (12.3 to 30.9 million dollar) market to be made intelligent through renovation or new construction.

According to Agnes Huet, a smart building specialist at the CESTA (Centre d'Etude des Systemes et des Technologies Avancées), there are two categories of smart buildings.

The first, prevalent in the U.S., is a building inhabited by several different companies who use shared services. As French phone regulations forbid shared trunk lines, the tendency in France has so far leaned toward a second type of smart building, a one-tenant building, which is generally the headquarters of a company. "Smart buildings," says Huet, "are above all smart developers who have realized the renter's desire for better quality service."

In December the Groupe Bull and Sari-Accor signed an agreement to design and supply data processing and office automation solutions to equip the new business centers that Sari-Accor are installing in Paris and major regional centers. Sari-Accor will use "BCS," the universal pre-cabling system, and Groupe Bull's "Information and Communication Solution," which provides for the hook-up of workstations, micros and minicomputers through a local or remote network.

In addition to smart buildings and smart business centers, smart warehouses are now being developed. Féau Hampton is currently launching a "Distripole," cost-saving warehouse and office facilities at Orly and Roissy Airports. According to Georges Tarquiny at Féau Hampton: "A lot of the multinationals and high-tech companies using air freight have a problem managing their stock. We are going to furnish sophisticated telecommunications to help them manage both their stocks and their orders all over the world in real time."



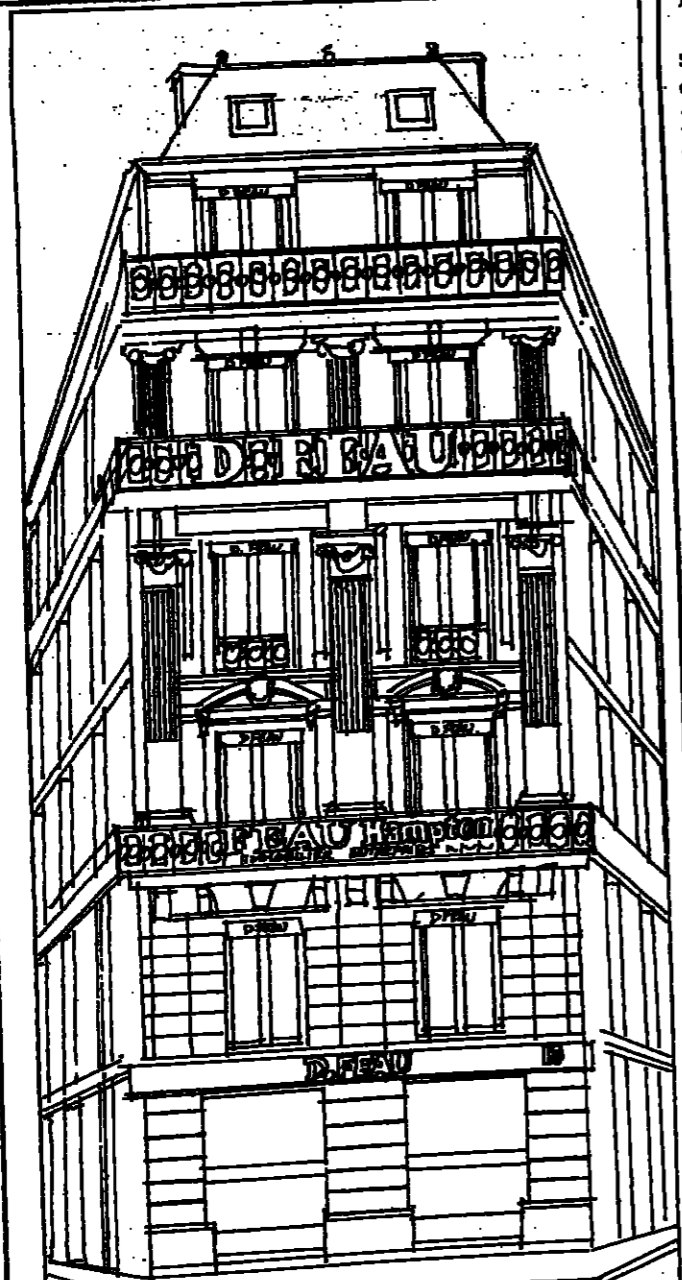
The classic lines of Challenger, Bouygues' smart new headquarters, conceal state-of-the-art technology.

This advertising section was written by Harriet Welsy Rockfort

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BUSINESS ROUNDUP

Du Pont Earnings Expected to Rise

Analysts Say Core Activities Offset Conoco's Weakness

PHILADELPHIA — Du Pont Co., the world's biggest chemical company, is expected to report on Wednesday about a 25 percent increase in first-quarter earnings...

Post Co. Profit Sharply Higher

The Associated Press

WASHINGTON — Washington Post Co. said Tuesday that its first-quarter profit soared from a year earlier...

The company said its profit rose to \$144.3 million, or \$11.25 a share, from \$18.6 million, or \$1.45 a share, in the first quarter of 1987...

Revenue of the newspaper division and television stations was up 10 percent, the Post said. The latest results included a nonrecurring, after-tax gain of \$11.7 million from the sale of the Florida cellular telephone operations...

GM Rebut Reports, Says It Will Seek Larger Market Share

CHICAGO — The chairman of General Motors Corp., following reports that the largest U.S. automaker would cut production capacity to match its falling market share, said Tuesday that the company intended to regain 45 percent of the domestic new car market...

Company Results table with columns for Company Name, 1987 Revenue, 1987 Profit, 1987 Per Share, and 1988 Revenue, 1988 Profit, 1988 Per Share. Includes companies like British Petroleum, Canada, Texaco, France, Japan, Sweden, United States, and various international firms.

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BUSINESS ROUNDUP

Texaco's Profit Up 105% in Quarter

NEW YORK — Texaco Inc., the third-largest U.S. oil company, announced Tuesday that its first-quarter earnings soared 105 percent from a year earlier.

Chevron Corp. reported Tuesday that earnings leaped 81 percent in the quarter, and Phillips Petroleum Co., reported a loss in the year-earlier quarter.

USX's profit for the quarter came after a loss of \$72 million a year earlier. Revenue soared 43 percent to \$4 billion from \$2.8 billion.

The steel and energy concern also said it expected a continued strong performance for the rest of the year.

Hoechst Net Up 16% in '87

FRANKFURT — Hoechst AG, the large West German chemical group, said Tuesday that gross net profit in 1987 rose 16 percent, to 1.53 billion Deutsche marks (\$912 million) from 1.32 billion DM in 1986.

U.S. Car Sales Up; Chrysler Output May Rise

DETROIT — Domestic sales of U.S.-made automobiles in mid-April rose a slight 1.2 percent from a year earlier on a daily basis, the automakers have reported.

Ratners Buys 3d U.S. Jewelry Store Chain

LONDON — Ratners Group PLC said Tuesday that it was buying Osterman's, a privately owned operator of jewelry stores in the United States, for \$60 million in cash.

Ratners plans to either purchase or procure repayment of two term loan notes issued by Osterman's to its bankers, which should amount to \$7.6 million, giving a total price of about \$68 million.

The purchase will give Ratners wider geographical coverage in the United States, with a total of 274 stores operating in 31 U.S. states.

Dutch Banks Are Warned They Must Raise Profitability

AMSTERDAM — Faced with depressed share prices, Dutch banks have no option but to improve their profitability if they want to continue to expand, the Dutch central bank said in its 1987 annual report.

MADISON: A Triple Threat

(Continued from first finance page) Johnnie Walker Black Label, and introduce a campaign created by its agency, Smith-Greenland.

WCRS: British Agency Expands

(Continued from first finance page) WCRS's agency holdings in the United States include Della Femina, Travisano & Partners and HBM-Creamer & Partners.

Accounts

- Revlon's Flex line of hair care products, to Young & Rubicam.
• Chesobrough Pond Inc.'s Ragu Pizza Quick sauces to Omnicom's Batten, Barton, Durstine & Osborn.

People

- Hill, Holliday, Connors, Cosmopolis of Boston and New York has added five executive vice presidents to the six it already had.
• John Emmerling Inc. has named Raymond Sachs as president, replacing James R. Guthrie.

Oil and money conference. London. Note these dates in your calendar now! The ninth annual International Herald Tribune/The Oil Daily "Oil and Money" conference will be held at the Inter-Continental Hotel in London on October 13 and 14, 1988.

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Pechiney Posts Net Profit for 1987 After Loss

PARIS — The French state-owned aluminum producer, Pechiney SA, reported Tuesday a group net profit of 729 million francs (\$128 million) for 1987 against a net loss of 451 million francs in 1986.

Jean Gandois, Pechiney's chairman, said at a news conference that the parent company had a net profit of 403.6 million francs compared with a profit of 108.4 million in 1986.

Tarmac PLC Reports 56% Rise in '87 Profit

LONDON — Tarmac PLC, Britain's biggest home-building concern, reported Tuesday that its 1987 pretax profit surged 56 percent from a year earlier on the strength of a housing boom.

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### Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High Low	Stock	Div. Yld. PE	12 Month High Low	Stock	Div. Yld. PE
11 1/2	AB	2.0	11 1/2	AT	1.5
11 1/4	AC	1.8	11 1/4	AV	1.2
11 1/8	AD	1.6	11 1/8	AW	1.1
11 1/2	AE	1.4	11 1/2	AX	1.0
11 1/4	AF	1.3	11 1/4	AY	0.9
11 1/8	AG	1.2	11 1/8	AZ	0.8
11 1/2	AH	1.1	11 1/2	BA	0.7
11 1/4	AI	1.0	11 1/4	BB	0.6
11 1/8	AJ	0.9	11 1/8	BC	0.5
11 1/2	AK	0.8	11 1/2	BD	0.4
11 1/4	AL	0.7	11 1/4	BE	0.3
11 1/8	AM	0.6	11 1/8	BF	0.2
11 1/2	AN	0.5	11 1/2	BG	0.1
11 1/4	AO	0.4	11 1/4	BH	0.0
11 1/8	AP	0.3	11 1/8	BI	0.0
11 1/2	AQ	0.2	11 1/2	BJ	0.0
11 1/4	AR	0.1	11 1/4	BK	0.0
11 1/8	AS	0.0	11 1/8	BL	0.0
11 1/2	AT	0.0	11 1/2	BM	0.0
11 1/4	AU	0.0	11 1/4	BN	0.0
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11 1/2	AW	0.0	11 1/2	BP	0.0
11 1/4	AX	0.0	11 1/4	BQ	0.0
11 1/8	AY	0.0	11 1/8	BR	0.0
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11 1/4	BJ	0.0	11 1/4	CC	0.0
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11 1/4	BY	0.0	11 1/4	CR	0.0
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11 1/4	CB	0.0	11 1/4	CU	0.0
11 1/8	CC	0.0	11 1/8	CV	0.0
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11 1/4	DC	0.0	11 1/4	DV	0.0
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11 1/4	DX	0.0	11 1/4	EQ	0.0
11 1/8	DY	0.0	11 1/8	ER	0.0
11 1/2	DZ	0.0	11 1/2	ES	0.0
11 1/4	EA	0.0	11 1/4	ET	0.0
11 1/8	EB	0.0	11 1/8	EU	0.0
11 1/2	EC	0.0	11 1/2	EV	0.0
11 1/4	ED	0.0	11 1/4	EW	0.0
11 1/8	EE	0.0	11 1/8	EX	0.0
11 1/2	EF	0.0	11 1/2	EY	0.0
11 1/4	EG	0.0	11 1/4	EZ	0.0
11 1/8	EH	0.0	11 1/8	FA	0.0
11 1/2	EI	0.0	11 1/2	FB	0.0
11 1/4	EJ	0.0	11 1/4	FC	0.0
11 1/8	EK	0.0	11 1/8	FD	0.0
11 1/2	EL	0.0	11 1/2	FE	0.0
11 1/4	EM	0.0	11 1/4	FF	0.0
11 1/8	EN	0.0	11 1/8	FG	0.0
11 1/2	EO	0.0	11 1/2	FH	0.0
11 1/4	EP	0.0	11 1/4	FI	0.0
11 1/8	EQ	0.0	11 1/8	FJ	0.0
11 1/2	ER	0.0	11 1/2	FK	0.0
11 1/4	ES	0.0	11 1/4	FL	0.0
11 1/8	ET	0.0	11 1/8	FM	0.0
11 1/2	EU	0.0	11 1/2	FN	0.0
11 1/4	EV	0.0	11 1/4	FO	0.0
11 1/8	EW	0.0	11 1/8	FP	0.0
11 1/2	EX	0.0	11 1/2	FQ	0.0
11 1/4	EY	0.0	11 1/4	FR	0.0
11 1/8	EZ	0.0	11 1/8	FS	0.0
11 1/2	FA	0.0	11 1/2	FT	0.0
11 1/4	FB	0.0	11 1/4	FU	0.0
11 1/8	FC	0.0	11 1/8	FV	0.0
11 1/2	FD	0.0	11 1/2	FW	0.0
11 1/4	FE	0.0	11 1/4	FX	0.0
11 1/8	FF	0.0	11 1/8	FY	0.0
11 1/2	FG	0.0	11 1/2	FZ	0.0
11 1/4	FH	0.0	11 1/4	GA	0.0
11 1/8	FI	0.0	11 1/8	GB	0.0
11 1/2	FJ	0.0	11 1/2	GC	0.0
11 1/4	FK	0.0	11 1/4	GD	0.0
11 1/8	FL	0.0	11 1/8	GE	0.0
11 1/2	FM	0.0	11 1/2	GF	0.0
11 1/4	FN	0.0	11 1/4	GG	0.0
11 1/8	FO	0.0	11 1/8	GH	0.0
11 1/2	FP	0.0	11 1/2	GI	0.0
11 1/4	FQ	0.0	11 1/4	GJ	0.0
11 1/8	FR	0.0	11 1/8	GK	0.0
11 1/2	FS	0.0	11 1/2	GL	0.0
11 1/4	FT	0.0	11 1/4	GM	0.0
11 1/8	FU	0.0	11 1/8	GN	0.0
11 1/2	GV	0.0	11 1/2	GO	0.0
11 1/4	GW	0.0	11 1/4	GP	0.0
11 1/8	GX	0.0	11 1/8	GQ	0.0
11 1/2	GY	0.0	11 1/2	GR	0.0
11 1/4	GZ	0.0	11 1/4	GS	0.0
11 1/8	HA	0.0	11 1/8	GT	0.0
11 1/2	HB	0.0	11 1/2	HU	0.0
11 1/4	HC	0.0	11 1/4	HV	0.0
11 1/8	HD	0.0	11 1/8	HW	0.0
11 1/2	HE	0.0	11 1/2	HX	0.0
11 1/4	HF	0.0	11 1/4	HY	0.0
11 1/8	HG	0.0	11 1/8	HZ	0.0
11 1/2	HH	0.0	11 1/2	IA	0.0
11 1/4	HI	0.0	11 1/4	IB	0.0
11 1/8	HJ	0.0	11 1/8	IC	0.0
11 1/2	HK	0.0	11 1/2	ID	0.0
11 1/4	HL	0.0	11 1/4	IE	0.0
11 1/8	HM	0.0	11 1/8	IF	0.0
11 1/2	HN	0.0	11 1/2	IG	0.0
11 1/4	HO	0.0	11 1/4	IH	0.0
11 1/8	HP	0.0	11 1/8	II	0.0
11 1/2	HQ	0.0	11 1/2	IJ	0.0
11 1/4	HR	0.0	11 1/4	IK	0.0
11 1/8	HS	0.0	11 1/8	IL	0.0
11 1/2	HT	0.0	11 1/2	IM	0.0
11 1/4	HU	0.0	11 1/4	IN	0.0
11 1/8	HV	0.0	11 1/8	IO	0.0
11 1/2	HW	0.0	11 1/2	IP	0.0
11 1/4	HX	0.0	11 1/4	IQ	0.0
11 1/8	HY	0.0	11 1/8	IR	0.0
11 1/2	HZ	0.0	11 1/2	IS	0.0
11 1/4	IA	0.0	11 1/4	IT	0.0
11 1/8	IB	0.0	11 1/8	IU	0.0
11 1/2	IC	0.0	11 1/2	IV	0.0
11 1/4	ID	0.0	11 1/4	IW	0.0
11 1/8	IE	0.0	11 1/8	IX	0.0
11 1/2	IF	0.0	11 1/2	IY	0.0
11 1/4	IG	0.0	11 1/4	IZ	0.0
11 1/8	IH	0.0	11 1/8	JA	0.0
11 1/2	II	0.0	11 1/2	JB	0.0
11 1/4	IJ	0.0	11 1/4	JC	0.0
11 1/8	IK	0.0	11 1/8	JD	0.0
11 1/2	IL	0.0	11 1/2	JE	0.0
11 1/4	IM	0.0	11 1/4	JF	0.0
11 1/8	IN	0.0	11 1/8	JG	0.0
11 1/2	IO	0.0	11 1/2	JH	0.0
11 1/4	IP	0.0	11 1/4	JI	0.0
11 1/8	IQ	0.0	11 1/8	JK	0.0
11 1/2	IR	0.0	11 1/2	JL	0.0
11 1/4	IS	0.0	11 1/4	JM	0.0
11 1/8	IT	0.0	11 1/8	JN	0.0
11 1/2	IU	0.0	11 1/2	JO	0.0
11 1/4	IV	0.0	11 1/4	JP	0.0
11 1/8	IW	0.0	11 1/8	JK	0.0
11 1/2	IX	0.0	11 1/2	JL	0.0
11 1/4	IY	0.0	11 1/4	JM	0.0
11 1/8	IZ	0.0	11 1/8	JN	0.0
11 1/2	JA	0.0	11 1/2	JO	0.0
11 1/4	JB	0.0	11 1/4	JP	0.0
11 1/8	JC	0.0	11 1/8	JK	0.0
11 1/2	JD	0.0	11 1/2	JL	0.0
11 1/4	JE	0.0	11 1/4	JM	0.0
11 1/8	JF	0.0	11 1/8	JN	0.0
11 1/2	JG	0.0	11 1/2	JO	0.0
11 1/4	JH	0.0	11 1/4	JP	0.0
11 1/8	JI	0.0	11 1/8	JK	0.0
11 1/2	JK	0.0	11 1/2	JL	0.0
11 1/4	JL	0.0	11 1/4	JM	0.0
11 1/8	JM	0.0	11 1/8	JN	0.0
11 1/2	JN	0.0	11 1/2	JO	0.0
11 1/4	JO	0.0	11 1/4</		



CURRENCY MARKETS

Dollar Gains on Yen in New York

NEW YORK — The dollar was little changed Tuesday in New York and Europe against most major currencies, although it rose against the yen on a report that seven oil-producing countries are contemplating reductions in their oil exports.

London Dollar Rates table with columns for City, Bid, and Ask rates for various currencies like Deutsche mark, Swiss franc, etc.

higher at 125.10 yen from 124.675 on Monday.

It finished little changed at 1.6768 Deutsche marks, from 1.6765 DM; at 5.6950 French francs, up from 5.6850; and at 1.3875 Swiss francs from 1.3865.

The British pound closed at \$1.8755, up from \$1.8715.

Figures for first-quarter U.S. economic growth had little lasting impact, as the GNP growth of 2.3 percent was within expectations.

The GNP report offered a mixed picture of the economy. Overall growth and inflation were moderate, but consumer and business spending were robust, prompting worries that additional imports

into the U.S. market would cloud prospects for a narrower trade deficit. Also, net exports were not up as much as expected.

In London, the dollar closed steady at 1.6750 DM, from 1.6770 on Monday; at 124.70 yen, after 124.78; at 1.3865 Swiss francs, from 1.3893; and at 5.6885 French francs, after 5.6945.

The pound was also little changed at \$1.8760 from \$1.8755. Dealers said they were looking for guidance from British trade figures for March, due out Friday.

Forecasters are for a visible trade deficit of \$1.2 billion after the \$1.3 billion shortfall in February, with the current account deficit expected to fall to \$500-600 million from \$720 million.

In earlier European trading, the dollar was fixed 6.0725 DM in Frankfurt, at 1.6742 on Monday, and in Paris at 1.6742 on Monday, after 1.6740.

The dollar was steady at the Zurich close, at 1.3845 Swiss francs from 1.3865. (UPI Reuters)

Pohl Criticizes Asian Nations On Currencies

TOKYO — The currencies of Asia's newly industrialized countries ought to move "more or less" in the same direction as the yen, the Bundesbank president, Karl Otto Pohl, said Tuesday.

"It would be desirable if the success of these countries should be reflected in their currencies," he said.

The yen has risen more sharply against the dollar, for example, than the currencies of South Korea, Taiwan, Hong Kong and Singapore, swelling their trade surpluses.

However, Mr. Pohl denied that he had proposed an Asian monetary system to link the Japanese yen to the currencies of these four developing countries. The notion had been poorly received in Japan.

OPTIONS: In the Post-October Pits of Disarray, Some See Opportunity

(Continued from first finance page) of the underlying shares — each contract typically represents 100 shares or other units of a security — an investor participates in the same market movements as someone who owns the shares outright.

If the investor is bullish, he or she can buy a call option, which gives the right to purchase shares at a preset price by a specified date that becomes more valuable as the price of the underlying stock rises. If feeling bearish, the investor buys a put option, which gives the right to sell at a preset price. A put rises in value as the stock price falls.

For 15 years, a lot of people made a lot of money trading options. That ended in October, when lengthy trading delays and widely fluctuating prices crushed many investors.

But defenders such as Fischer Black, a partner at Goldman, Sachs & Co., say that, notwithstanding the turmoil of last October, options have given investors new tools that add to the liquidity of the overall financial market, ultimately making it easier to raise capital.

It is the hedging side of options that the CBOE and other exchanges are pushing as they scramble to shore up existing business.

They are encouraging brokers and investors to forget October's horror stories by pointing out that options, used carefully as a hedge, can protect investors against market movements with the risk of nothing more than the price of the option itself.

The CBOE is also extolling options as hedges for institutional buyers in light of the failings of their existing hedging strategies.

Nonetheless, no one is expecting a turnaround in options trading as yet. Margin levels have increased sharply, doubling, in the case of stock index options, to 10 percent of the value of the underlying index at the CBOE, which is now trying to raise the margin to 15 percent.

And the price of an option — known as the premium — also has soared, reflecting the increased costs and risks of the market.

The biggest problem is that too many investors still are smarting from last fall's collapse.

"Our biggest challenge," conceded Charles J. Henry, president of the

1973, in the Board of Trade's former smoking lounge. That first day, 284 members, who each paid \$10,000 for their seats, traded 911 contracts on 16 listed call options. Investors quickly grasped that options made it possible to squeeze large profits from relatively small investments. Within two

years, more than 100,000 contracts a day were changing hands.

After a wild surge in stock prices in 1978, the Securities and Exchange Commission put a moratorium on new options instruments that lasted until 1980. But by mid-1987, the CBOE had 2,020 members. The price of a seat was \$465,000; \$46,000 contracts traded on an average day. And during the greatest bull market in stocks in history, many investors felt imperious to loss.

That all changed abruptly in the trading sessions of Oct. 19 and 20. On Oct. 20, for instance, the CBOE's most popular contract, the S&P 100 stock index option, traded for a total of just 52 minutes. Many orders were executed at prices far higher than the quotes given at the time orders were placed.

Options were banned in London from the early 1930s to the 1950s. American regulators came close to following their British counterparts in the 1930s. There was still no exchange trading in the United States until the Chicago Board of Trade, faced in the late 1960s with depressed prices in agricultural commodities and sluggish trading, sought ways to attract new customers.

After four years and \$2.4 million spent on research, the CBOE opened for business on April 26,

index contracts at a time, have turned to the futures markets. Futures contracts obligate their owners to take delivery of a specified quantity of a commodity or security — or the cash equivalent — at a given price by a given date. That market is generally a larger and thus more liquid than its options contract. And, to buy a futures contract, an institution just has to put up good faith collateral. For options, the entire price of a contract must be paid at time of purchase.

To compete better, the CBOE, more than a year ago, filed a request with the SEC for a "hedging exemption" that would triple position limits for institutions. The request is still being considered.

Some analysts argue that the one positive aspect of the October collapse for the options market was that portfolio strategies using futures did not work in many cases. By contrast, they say, institutional investors could have been "fully invested" for a decline in stock prices had they bought puts. As such, they would have had the right to force the writer of the option contract to purchase a stock at \$50 a share, say, after it already had dropped to \$35.

"In the next year or two, we will see a tremendous move toward using the options market as a type of portfolio insurance," said Richard L. Sandor, senior vice president at Drexel Burnham Lambert Inc.

Why haven't more institutions followed Drexel's example? "Many brokerage firms have an all-or-nothing attitude toward using the options market," Mr. Sandor said. "And there are economies of scale that doesn't pay to use options on all."

The bull market has been the options market's friend. But as far as the product is concerned, you're speaking to one happy camper.

He is not alone in that view. "The options product is such a superior hedge device that in the long run the economics of it will win out," said Mr. Rawls.

Now, some of the biggest players have given up. First Options Ltd. of London, which had 1,000 open contracts, has been operating close to the break-even point for the past few months because of lower transaction fees.

Most institutional investors seeking to hedge stock holdings, because they are permitted under SEC rules to own no more than 25,000 stock

CRASH: Brady Commission Study of U.S. Markets Likely to Be Adopted

(Continued from Page 1) Board, the Securities and Exchange Commission, and the Commodity Futures Trading Commission.

If the four proposals — a coordinating regulatory committee, circuit breaker mechanisms, harmonized margins and coordinated clearings systems — are enacted, they would match in broad outline four of the five recommendations by the presidential task force, known as the Brady commission.

That commission did raise the possibility of a joint three-agency coordinating committee but had concerns that this would prove cumbersome in market emergen-

cies. Instead, the Brady group recommended that the Fed, as the most independent of the three, be given new regulatory authority over such important intermarket issues as circuit breakers, margins and clearing systems.

Though the Working Group is likely to advocate a coordinated circuit breaker halt that would shut down trading on stock and stock index futures simultaneously in a market emergency, such a provision is coming under increasing criticism on Capitol Hill and on Wall Street. Some feel that a pre-designated trading halt could exacerbate a market plunge as traders

rushed to sell into a falling market before the halt took effect. In testimony before Congress on April 14, John J. Phelan Jr., chairman of the New York Stock Exchange, and Leo Melamed, head of the Chicago Mercantile Exchange, said they were jointly working on a plan to halt trading in both markets when the Dow Jones industrial average falls between 200 and 300 points.

They also said that such a plan was one of the primary objectives of the White House Working Group headed by Mr. Gould.

The statements by the administration official also throw into

question charges made by some members of Congress that the White House was backing away from the recommendations of the presidential task force, which was headed by Nicholas F. Brady, an investment banker and a former senator from New Jersey.

Some members of Congress have charged that the White House group is stalling to run out the clock on the current legislative year and avert any congressional action at all. Prominent among these officials are Representative Edward J. Markey, the Massachusetts Democrat.

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Tuesday's OTC Prices. NASDAQ prices as of 4 p.m. New York time. This list, compiled by the AP, consists of the 1,000 most traded stocks in terms of dollar volume. It is updated twice a year. Via The Associated Press.

Table of OTC prices for various stocks including AAW, ADC, ADK, etc. Columns include stock name, price, and change.

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Tuesday's AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table of AMEX closing prices for various stocks including AAW, ADC, ADK, etc. Columns include stock name, price, and change.







SPORTS

A Fraternal Victory for Integration

London — One of the marvels of sport is its ability to transcend, through human achievement, the divisions of race and politics.

South Africans monopolized London last Sunday. Morning brought another wretched, inconceivable debate over Zola Budd; afternoon brought the joy of two displaced South African brothers capturing a full-house crowd at Wembley Stadium.

The difference between Budd and Brian and Mark Stein is not quite black and white. The Steins were exiled from Capetown in infancy because their skin is off-white — "coloured," according to the official South African way of looking at life.

Were you reading this in the shared land of their birth, you'd know every lamentable detail about Budd from the moment she was granted a passport of convenience to run as a 20th-year-old.

I doubt the Steins are as pure South African as she — and although they figured large in the fiery tale of an unfashionable English club's winning its first major soccer trophy in a 103-year existence.

Bypassing the Pretoria censor, consider the crowning moment of Sunday's integrated victory by Luton over Arsenal at Wembley.

The Littlewoods Cup final was deadlocked at 2-2 in the 90th minute when Ashley Grimes, an Irishman of red hair and the whitest of complexions, chased the ball down the right.

The story of Grimes himself is one of human triumph. His career had been written off seven summers ago when he returned from Malaysia after touring with Manchester United. On the plane he felt pain in his chest and back. In Manchester a fever deepened; he could barely move, his heartbeat was irregular. Doctors suspected malaria.

The bug, with debilitating similarities to those of rheumatic fever, was never identified. It passed, but that same year Grimes suffered a knee injury, once more jeopardizing his career. So he slid down the scale to Luton, homely and, relative to Manchester, impoverished.

So on Sunday, with long spidery limbs, he came to chase a ball others might have left. He caught it, struck it perceptively with the outside of his left foot, and Brian Stein read it beautifully. Having already subtly scored one goal and created another, he flicked the ball into the net.

There always has been a distinctly non-English nonchalance about Stein. But not now. He turned, every nerve in his body aflame, and ran to the kid brother who almost didn't get to share this day.

They threw themselves together. The big brother — 5-foot-10 and 164 pounds (1.77 meters, 71.4 kilograms) — was hoisted into the air by a bear hug from Mark, the smaller by seven inches and 30 pounds, and the younger eight years.

Somewhere up in the stands, Isaiah and Lillian Stein, the parents of seven other offspring, had a moment of climactic fulfillment after the heatbreak of 22 years in exile.

Fighting laws that in South Africa forbade this kind of sporting achievement had placed Isaiah Stein under house arrest in Capetown. Brian was eight, his brother a babe in arms when the family bought a one-way ticket to London.

Brian Stein came late to the professional game, at 20, with high A-level grades in sociology and modern history. He has served one club for 10 years, a rare loyalty these days, and Luton, although small on resources, had made this his testimonial year.

Luton's shared triumph was in no small measure due to him. Earlier this season Stein persuaded Luton's manager, Ray Harford, to change tactics and allow him freedom to create just behind two front-runners.

That brought Stein the younger into play, although he does not have his brother's cool — he runs and anticipates like a bird in flight, but is sometimes too excitable to finish. Luton dropped Mark Stein for Wembley. It introduced Kingsley Black, a white teen-age winger, and brought back Ricky Hill, also English, but a black whose silky gifts had been idle since he broke a leg at Christmas.

Those gambles squeezed out Mark Stein, who left in a huff on the eve of Luton's greatest day. Eventually, at his father's house, he was persuaded to return.

"Mark is young and headstrong," commented Brian Stein. "But after talking to me and the other senior players, he realized he was being silly."

Mark Stein realized it more on Sunday, when he came on as a substitute whose daring running

and quick pace helped uplift a lagging Luton; he shared with his brother the making of the second goal. After their victorious hug, the Steins were joined by colleagues white and black because, happily, most of the sporting world celebrates together oblivious to color or creed.

An attendant irony was a controversy regarding the nationality of Kingsley Black, 19, English by birth and upbringing but chosen to represent Northern Ireland against France this Wednesday.

The Irish used a loophole, Black's father having come from Londonderry. But Black, who played school soccer for England, had to do some thinking when England's manager suggested — Sunday at Wembley — that he wait in hope of a future as an English international.

Wait he did, no more than a day, before flying to Belfast to sell his birthright for a cap in hand.

Meanwhile, with most of Europe's league championships won, Italy's will reach its climax in Naples on Sunday.

Napoli vs. AC Milan, running one-two and separated by a single point, will meet with Diego Maradona against Rudi Gullit in the showdown.

"I think Napoli is afraid now," says Gullit. "We feel very close to the title — we're going to Napoli for the game of the season." Reports Maradona: "I've waited for Sunday since we lost to Milan in December. I already feel like a league champion."

Last week the players decide it. Let's hope, Naples fans were in-



Luton's Brian Stein: A distinctly non-English nonchalance, but a bear hug for a younger sibling.

Twins and Cards, Winners in 1987, Are Ailing With Repeater Syndrome

By Murray Chass  
New York Times Service

NEW YORK — The St. Louis Cardinals have had two experiences with the repeater syndrome, so it comes as no surprise to them. The Minnesota Twins, on the other hand, are encountering it for the first time.

No pennant winner from 1978 through 1986 has repeated the following year, and both the Twins and the Cardinals, the winner and the loser of last year's World Series, are in last place in their respective divisions three weeks into the season.

Neither team, on the other hand, has suffered the ignominy and the devastation that has struck the Baltimore Orioles, who are still looking for their first victory of the season after 18 tries. They were to try again Tuesday night — against the Twins in Minnesota.

As weak as the Orioles were supposed to be, their 0-18 record nevertheless is one of the major surprises of the young season. At the positive end of the surprise scale, the Pittsburgh Pirates and the Cleveland Indians lead the two Eastern Divisions.

Not enough time, of course, has elapsed to determine trends that could become seasonlong. The Orioles will win some games. The Indians, almost as certainly, don't figure to remain at or near the top of the American League East. Despite their fast start, they cannot expect to compete on the level of the New York Yankees, who have started strongly as expected.

Nor can the Pirates expect to stay with the New York Mets in the National League East. But because of their pitching staff they could remain legitimate long after the Indians have faded.

The Pirates have carried over their play from the end of last season. Joe McEwing, the Mets' vice president of baseball operations, said Monday. "They're a young club, but they're for real. This isn't a flash in the pan."

Led by third baseman Bobby Bonilla and left fielder Barry Bonds, the Pirates have won 13 of their first 17 games. That's an even better start (a .765 percentage) than their 1987 finish (27 victories in their last 38 games .711). As well as Bonds and Bonilla have

produced, McEwing sees two relief pitchers acquired from San Francisco last August as crucial to Pittsburgh's continued progress.

"The key for them is Goff and Robinson," McEwing said, referring to Jim Goff and Jeff Robinson, the Pirates' late-inning relief tandem. "Before they got them, even if they stayed close you could beat them in the eighth or ninth. Now they have a better bullpen."

But, he noted, the Pirates haven't played the Mets or the Montreal Expos, "the teams I consider the best in the division."

The Mets have been somewhat inconsistent, but Dwight Gooden (four victories in four starts) and Ron Darling (two shutouts in four outings) have reestablished the first-class nature of the pitching staff, and Gary Carter is an offensive threat again.

The Expos, with a .500 record, have yet to show the type of play that made them the surprise team of 1987, but McEwing said, "They'll get there — they have a solid club from top to bottom."

In the American League East, the Indians have started the way some people expected them to last season, but their pitching (no changes during the winter) remains tenuous. Yankee pitching has begun the season as expected, with questionable consistency; the strongest starter has been the youngest, Al Leiter, who took a 3-0 record against Kansas City Tuesday night.

Roger Clemens has a 4-0 record for the Boston Red Sox, who appear ready to spend the season challenging the Yankees. "I see a much improved Boston club," Harry Dalton, the Milwaukee Brewer general manager. "Given the emergence of their young players, the availability of Clemens from opening day and the addition of Lee Smith, they're back in contention. Right now it's shaping up as one of those 50-Yankees-Red Sox battles."

The two leagues' Western division leaders, Los Angeles and Oakland, have benefited instantly from major off-season player moves. The Athletics also have benefited from Dave Stewart's pitching moves; a surprise 20-game winner last season, Stewart is 5-0 this season.



Edmonton's Craig Mori (8) stood Jim Peplinski on his head Monday, and the Oilers stood the Flames on theirs, too, with a 4-0 sweep.

Oilers Sweep Past Flames, 6-4; Wings Push Blues to the Brink

EDMONTON, Alberta — They were a bit off the mark, those who saw the Calgary Flames as the National Hockey League's new powerhouse and the successors to the Edmonton Oilers.

The Oilers completed a sweep of the regular-season champions Monday night with a 6-4 playoff triumph in the Smythe Division final.

In the other Campbell Conference series, Detroit beat St. Louis, 3-1, to take a 3-1 series lead in the Norris Division final.

"To lose four straight — there's not a lot to say, except they played harder and more desperate than we did," said Calgary veteran Lanny McDonald.

Our penalty-killers deserve a lot of credit," said John Muckler, an Edmonton co-coach. "They were outstanding." The Oilers allowed the Flames to score on only one of six power-play chances after shutting their power play in Game 3.

On Monday, Edmonton managed only 17 shots on net but made the most of their opportunities. Mark Messier and Craig Simpson each had a goal and two assists while Grant Fuhr stopped 26 shots.

In becoming the first team of the current playoffs to advance to a conference final, the defending Stanley Cup champions had a comfortable 4-0 lead six minutes into

the second period, but Calgary cut the deficit to 3-3 heading into the third. But Glenn Anderson's fifth playoff goal at 11:40 ended any realistic hopes Calgary had of taking the series back home.

"We started slacking off after we got that four-goal lead," Muckler said.

STANLEY CUP PLAYOFFS  
said. "We were not as aggressive as in the first period, but got out of it in the third period and played well."

"I definitely didn't think we could win it in four, but we were real confident going in," said Messier. "I think the best thing was starting on the road this year. They had a lot of young guys and they faced a lot of added pressure from the press."

Red Wings 3, Blues 1: In St. Louis, Gerard Gallant had two goals and goaltender Glen Hanlon stopped 27 shots to lead Detroit to within one game of clinching the Norris title. Gallant scored in the third and fourth periods, giving him six goals for the playoffs.

With his team outshot, 28-20, Hanlon was clearly the difference for the Red Wings. He was making his first start since sustaining a groin injury in Game 6 of a first-round victory over Toronto.

"Tonight was Red Wing hockey," Hanlon said. "We ground it out all night and let the goal-scorers score. I was a little rusty, but I don't worry about injuries. I got wrapped up in the game too much to think about anything else."

But if Hanlon had a pain-free game, Joe Kocur did not. The Detroit right wing was lost for the rest of the playoffs when he sustained a separated right early in the second period. (UPI, AP)



RED SOX: SIX STRAIGHT — Bruce Hurst struck out eight during a route-going six-hitter as Boston recorded its sixth straight victory by beating the Brewers, 5-1, Monday in Milwaukee. Hurst (3-0) didn't walk a batter; he lost his shutout on Greg Brock's two-out RBI double in the ninth inning.

NBA Playoffs: 17's a Crowd

By Ira Berkow  
New York Times Service

NEW YORK — How can the National Basketball Association be so serious about calling it the playoffs when the 17th-, 18th-, 19th-, 20th-, 21st-, 22nd- and 23rd-best teams don't make it?

But that's what it's called, and the NBA now enters its second season of the season, with a sparse 16 of its 23 teams still alive.

Locally, excitement has been fanned now that the New York Knicks tied for the 14th-best record in the league and earned a place in the playoffs for the first time in four years.

The Knicks finished the so-called regular season with 38 victories and 44 losses, for a 463 percentage in the Atlantic Division. They were a distant 19th place behind the first-place Boston Celtics — in basketball terms, the equivalent of about half-way round the world.

This is not the worst record of an NBA team in the playoffs this season. San Antonio was 31-51 and 23 games out of first place in the Midwest Division.

In fact, it's not the most woe of records to qualify for the playoffs in sports this year. Toronto of the National Hockey League holds that distinction, finishing with 21 victories, 49 losses and 10 ties, and was the 16th of the 21 teams to round out the bloated National Hockey League playoffs.

The National Football League, in its playoff system, is more creditable, with 10 of 28 teams participating. Last season, with the strike and the scarier games, the team with the worst record to make the playoffs, Minnesota, still won more games than it lost, with an 8-7 record.

The playoffs for major league baseball are nearly embarrassing in their paucity of entrants, with only four of 26 teams getting in. That is preposterous; imagine all those other games deprived of playoff games. The NBA and the

NHL wouldn't think of doing such a mean thing.

In baseball last season, two teams had an identical win-loss percentage as the Knicks. The Texas Rangers and California Angels tied for last in the Eastern Division of the American League. Yet it was unimaginable to have seen those two teams in the playoffs.

The NBA, however, is set in its ways and rabid fans chirp when their team makes the playoffs, regardless of the glut of the selection procedure.

It's also true that the Knicks' 88-86 victory on the road against Indiana Saturday night — a game they had to take to remain in speakers for at least another week or so — was stimulating because of the pressure involved.

The records of the Knicks and Pacers were nearly identical, and by a quirk of scheduling, the game meant the playoffs for the winner and a long retreat from the weariness of the world for the loser.

Now it'll be the Knicks against the Celtics in the first round of the Eastern Conference playoffs, and fans hereabouts are hoping that this will be a series like the one in which Bill Bradley hit that shot from the corner in the last second in Boston Garden, or the time this Knicks handpicked Dave Cowens or had their hands full with the Celtics even though John Havlicek was playing with one arm.

Meanwhile, Boston, although it came through the 1987-88 season with its Larry Bird era, still finished 57-25 — the second-best mark in the NBA (the Los Angeles Lakers were 62-20).

The Knicks are a team presumably on the rise, with a remarkable young coach, Rick Pitino, while the Celtics are virtually elderly. But Bird, slumped down in weight and trimmed in hair style to near matinee-idol proportions, had one of his most noteworthy seasons on the basketball court and in the barber shop.

As starting fives go, there may be none finer than Bird, Robert Parish, Kevin McHale, Danny Ainge and Dennis Johnson. Jim Paxson, the guard acquired during the season from Portland, has made a huge impact coming off the bench.

But the major disappointment for the Celtics — and what may turn out to be the telling difference at playoffs' end for them — is that Bill Walton will not be available.

Walton, a beautiful but hobbled player, had been the indispensable sixth man when Boston won its last NBA title two seasons ago and who, valiantly and painfully, tried to do the same in the 1986-87 season. "But," he admitted, during the finals last season in which the Celtics lost to the Lakers, "I can't move."

Walton has been traveling with the Celtics for the past month or so, working out and dreaming. He and the Celtics hoped he would make a comeback from his foot operation over the winter. And in March, the last time he Boston played the Knicks here, he sat on the bench in civilian suit and sneakers. It seemed that, although his body and mind were telling him the lamentable truth, his feet were still itching to play.

The Knicks' feet are eager, too, but are in considerably better health than Walton's. Particularly the tootsies of youthful center Patrick Ewing. After the game in Milwaukee on Friday night, in which New York lost to the Bucks, Ewing sat on a stool in the locker room and said that, win or lose against Indiana the next night, "it had been a great season."

Even though the team would finish with a less than 500 record? "After winning only 23 games and 24 games in my first two seasons in the league, and now having a chance to make the playoffs," said Ewing. "I consider this a great season."

SCOREBOARD

Baseball

Major League Standings

Team	W	L	Pct.	GB
Cleveland	14	4	.778	0
New York	13	5	.722	1
Boston	12	5	.706	1 1/2
Detroit	9	7	.563	4
Toronto	9	8	.529	4 1/2
Milwaukee	7	9	.438	6
Baltimore	8	10	.444	6 1/2

Basketball

Final Regular-Season NBA Leaders

Team	W	L	Pct.	GB
New York	62	20	.756	0
Los Angeles	59	23	.714	3
Portland	59	23	.714	3
Phoenix	57	25	.695	5
San Antonio	57	25	.695	5
Utah	57	25	.695	5
Washington	56	26	.683	6
San Diego	55	27	.673	7
Phoenix	54	28	.660	8
Golden State	54	28	.660	8
San Jose	53	29	.646	9
Philadelphia	53	29	.646	9
New York	52	30	.634	10
Chicago	52	30	.634	10
Indiana	52	30	.634	10
Cleveland	52	30	.634	10
New Jersey	52	30	.634	10
L.A. Clippers	52	30	.634	10

Transition

BASEBALL

LEAGUE — Suspended pitcher Mitch Williams of Texas two games for tripping a batter during the Rangers and the Boston Red Sox in a game April 17.

BALTIMORE — Recalled Bill Scherrer, pitcher; Cuba Worthington, third baseman; and Keith Humes, outfielder, from Rochester of the International League. Sent Jim Trauser, outfielder, and Oswaldo Peralta, pitcher, to Rochester.

CALIFORNIA — Placed Brian Downing, designated hitter, on the 15-day disabled list retroactive to April 28. Called up Junior Moore, infielder, from Edmonton of the Pacific Coast League.

SEATTLE — Called up Dave Menzel, outfielder, from Calgary of the Pacific Coast League. Sent Ricky Smith, first baseman, to Calgary.

MINNESOTA — Announced that Don Blackman has retired as a (linebacker) but will become an assistant coach with the team.

COLLEGE — Named Neil Duersthery assistant baseball coach.

MASSACHUSETTS — Named John Callahan coach.

MISSISSIPPI — Announced the reinstatement of Ken Gillespie, track coach effective June 30.

PEPPERDINE — Named Robert Williams and Kevin Campbell assistant basketball coaches.

Hockey

NHL Playoffs

MONDAY'S RESULTS

Game	Result
Detroit vs. St. Louis	3-1
St. Louis vs. Detroit	1-3
St. Louis vs. Detroit	1-3
St. Louis vs. Detroit	1-3

NBA Playoff Schedule

FIRST ROUND EASTERN CONFERENCE

April 29: New York vs. Boston  
 May 1: New York vs. Boston  
 May 2: Boston vs. New York  
 May 3: Boston vs. New York  
 May 4: Boston vs. New York  
 May 5: New York vs. Boston

WESTERN CONFERENCE

April 29: Washington vs. Detroit  
 May 1: Washington vs. Detroit  
 May 2: Detroit vs. Washington  
 May 3: Detroit vs. Washington  
 May 4: Detroit vs. Washington  
 May 5: Washington vs. Detroit

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OBSERVER

Criteek of Pure Speling

By Russell Baker
NEW YORK — At Stanford the forces of social uplift and the academic Bourbons have been quarreling about what makes for a good education.

As one who has had a remarkable education, I feel obliged to make a few observations. First, it doesn't matter whether the required stuff is Aristotelian, black or female unless the students read it.

And don't tell me Stanford has ways of making them read. I have been to college. I have been required to read the 12 great thinkers of Western culture: Plato, Aristotle, St. Thomas and Shakespeare.

See: though I persuaded a faculty Gestapo that I had read enough great writing to merit a diploma, I can't even remember which great writers I was supposed to read.

I realize Stanford students are so superior to all other students that they're practically weird, but does that mean they are actually going to read Aristotle? Or does it mean they are going to be amazingly cunning in devising ways to make Stanford think they've read Aristotle when they haven't turned Page One?

I am not siding with the revolution here. Though not required in college to read the works of W.E.B. Du Bois and Carrie Chapman Catt, I am confident I could have found them just as conducive to deep coma as Aristotle was.

When we talk about good education, one of the first subjects to be discussed is spelling, and the first reason for getting college students to read is to teach them to spell. The only way to do this is to read so much that you automatically recognize what thousands and thousands of English words look like.

Very little. The result: humiliation for the American letter writer. And why? Because high-minded professors and/or equally high-minded social uplifters are more interested in promoting their pet, educational theories than in stamp-

ing out the barbaric spellings that infest the typical American letter. Someone will say it doesn't matter if American letters are illiterate because you can always use the telephone, can't you?

Imagine a phone ringing at dinner time. Mother answers the call, listens, says, "Father, it is our dear child phoning all the way from Stanford to talk to you."

Father: Wants another cash infusion, suppose. Mother: No, dear, it wants to discuss W.E.B. Du Bois' categorical imperative with you.

Does this little scene seem implausible to the point of lunacy? If not, try to imagine Father taking the phone, saying, "Dear child, the categorical imperative was not W.E.B. Du Bois'; it was Immanuel Kant, which reminds me, I know you hadn't been reading your Immanuel Kant, much less anything at all, when I got your postcard from Carmel-by-the-Sea saying you were 'having a wonderful time reading 'The Criteek of Pure Speling' by Emanuel Can'."

Yes, you can imagine creep creeping into Father's voice as he speaks, can't you? No wonder. He is spending a fortune for a Stanford education, yet he gets postcards like that. Imagine Father might react just as I would, by sending a stiff note to Stanford demanding it expose his child to something a child might read so it can at least learn to spell.

Remember, brilliant though they may be, even Stanford students are human. They must read or they will spell dumbly. When I was in college I learned to spell, despite Aristotle and St. Thomas, with the help of "Doc Savage," "Gone With the Wind," "The Grapes of Wrath," "Native Son," "The Great Gatsby," "Look Homeward, Angel" and "Spicy Detective," to name just a few that might improve spelling skills at Stanford.

Now, on to geography. It's disgraceful that students don't know where Asia is, much less Mexico. Stanford would be amazed at how much geography a kid can learn from stamp collecting. So suppose, instead of Plato —

New York Times Service

Some Black 'Haves' Returning to Harlem

By Howard W. French

NEW YORK — Eight years ago, shunning the warnings of well-meaning friends, Randy Daniels, a young black television correspondent, moved with his family into a brownstone on Sugar Hill, one of the grand neighborhoods of Harlem's past.

He did so, he says, because "we have to drum into our children a sense of their own culture and let them know that they are OK."

For Paula Nixon, a buyer for a women's clothing store, the move to Harlem four years ago was a homecoming.

"I wanted to be in a neighborhood where I wasn't in the minority," she says, "where anything something was done to you, you don't feel somehow that there was some slight involved."

Daniels and Nixon are among a small but growing number of well-educated, middle-class blacks who have been arriving in Harlem in the last decade. Partly they have come for the fine old housing, for more space for less money. But they have come, too, they say, out of a belief that they can help spark a renaissance of black political, intellectual and economic activity.

Still, for many newcomers, the joy they have found comes with the knowledge that days in Harlem are days of unexpected hardship. There are three drugs and the street violence. For people who have "made it" there is often pain in living among so many more who haven't. Things taken for granted in their old neighborhoods are now a daily struggle.

"If a street light is out you have to call and complain about it, you see an abandoned car, call and complain, a problem with rodents, or trash on an empty lot, call and complain," said Daniels. "We have had to take responsibility for making the area livable."

Daniels, now 38 and the director of communications for the city council president, Andrew J. Stein, purchased his house in 1980, near the start of this latest migration to Harlem, which has



Patrice Harrington in studio.

always contained pockets of middle-class blacks.

Now, Daniels cautions people thinking of similar moves to be prepared to wage a continuous battle to improve the quality of life for their families and to preserve their neighborhood's gains against the threat of stagnation.

Daniels said he had watched specific blocks, like his own, undergo a gradual recovery from blight only at the price of steady effort, largely sparked by newcomers who joined battles for better police and sanitation services and fought problems like drug-dealing, loitering and dumping of trash in empty lots.

The Danielses say their greatest sacrifice is the cost of education for their two children. To compensate for what they say is a lack of good schools in the area, they spend \$8,000 a year to send their children to a private school on the Upper West Side, driving them there each morning.

Asked why living in the neighborhood is worth the sacrifice,

Daniels responded by citing a number of activities his children were involved in, from ballet and tap dance classes at the Dance Theatre of Harlem to membership in the choir of the Abyssinian Baptist Church. Another reason, he said, is the simple fact that his children can grow up in an area where other blacks are abundant.

Juste Cross, a single, 34-year-old producer for the CBS-TV program "West 57th," moved to Harlem two weeks ago, into an apartment in a renovated cooperative building.

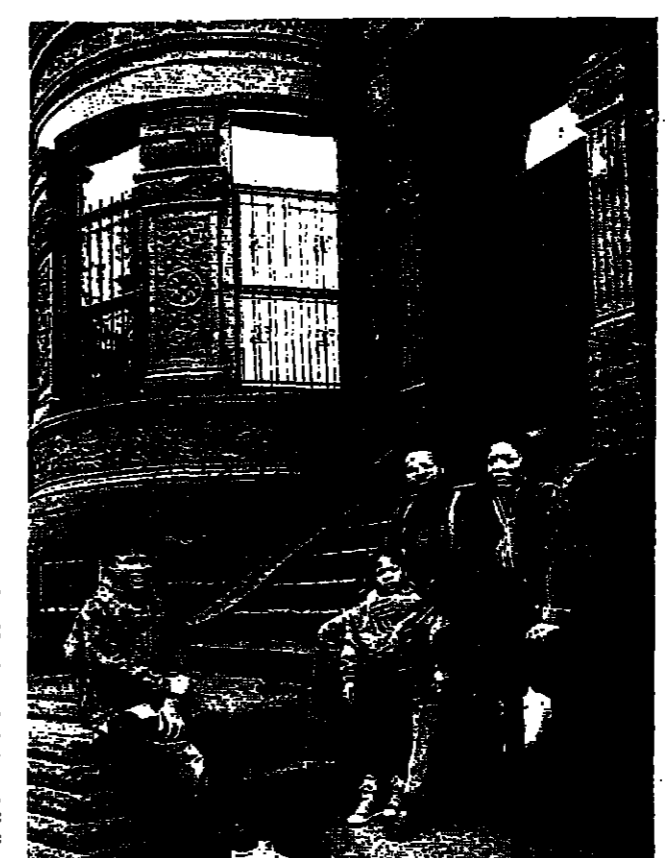
"I moved here out of a sense of the worth of black culture — a culture equal to white culture," she said. "But without an economic base," she added, "our culture isn't going to mean much, and the only way to secure that base is to own a piece of the lot. Harlem is our piece of the lot."

Still new to her surroundings, Cross betrays surprise over the need to thread her way past the local crack dealer and his customers, studiously ignoring his sales pitch as she returns home each evening.

Nixon, who is 33 and a buyer for a women's retail clothing store, was born in a public housing project seven blocks away from her brownstone. Now, she speaks of the pain of living among so many other blacks living in misery. "I see a lot of people from the old neighborhood who didn't turn out quite so well," she said.

"People who have been caught up in drugs, and a lot of others who just didn't move on." Nixon said she "was one of the fortunate ones" who received a good education and got a good job in a neighborhood where both are scarce. She said she decided to move back realizing, "after having been lucky, how much good can I do for others."

Like the Danielses, Nixon said, she works at building the community largely through neighborhood groups. "There are lots of us who don't fit the stereotypes and try to make a difference. The movers and the shakers in the neighborhood groups are usually the newcomers," she added.



Randy Daniels with his wife Jacqueline and their daughters.

Patrice Harrington, a 34-year-old manager at a large Manhattan hotel, moved to the Leuca Terrace apartments, several years ago when she said she was "kicked out" of her mother's house in Long Island.

Harrington said she came to Harlem before it was widely perceived by young black professionals as chic. For her, the prime consideration was that housing there was affordable.

"Everything you read and heard about Harlem was bad," Harrington said. "I was aware of all of the negative connotations, but because of financial constraints she didn't have any choice, she said.

Even though she has "learned to love" Harlem, Harrington said, she frequently thinks about moving elsewhere, where amenities are more abundant.

"Sometimes, you get home from work at 10 o'clock and ev-

erything is closed," she said. "You like to go to a restaurant and just sit down and have a nice meal."

"In Harlem we don't have that yet, therefore I am forced to get dressed and leave the neighborhood and go down to 72d Street or somewhere like that."

A longing for the return to greatness that Harlem enjoyed in the early part of the century plays a part in keeping Harrington, like others, from leaving.

"There is something like a total sense of helplessness here," she said, reciting a litany of problems like drug abuse and high unemployment, "but then there is the feeling that always pulls you back."

"I hear the older people here talking in the mornings about how the neighborhood used to be, and they always say they know they won't live it 'get better, but they know it is happening," Harrington said. "That gives me faith."

PEOPLE

'Gone With the Wind' II Drains \$5 Million Offer

Warner Books Monday night bid \$4.94 million for the right to publish the sequel to Margaret Mitchell's "Gone With the Wind."

At least six publishers are known to have participated in the auction, the most publicized since William Morrow and Avon Books jointly bid \$5 million two years ago for James Clavell's novel, "Whirlwind" — which remains the record for such an auction.

Warner Books is a 54-year-old resident of Virginia and author of four novels, will write the sequel. Warner Books will publish the hardcover and paperback editions of the novel in the United States and Canada. The manuscript is expected to be finished late next year and the book published in 1990.

Ranged Welch called Yves Montand "a spectacular film personality" as the Film Society of Lincoln Center in New York paid tribute to the French actor.

Montand, a 54-year-old resident of France, was the director of the film "Les Destinées," which was the French cinema's most romantic figures of the French cinema has ever known," adding: "He represents something unique in the French cultural world. Throughout his life as a performer he has worked hard to avoid cliché."

Other speakers included Claude Berri, who directed Montand in his two most recent films, "Les Destinées" and "Manon of the Spring," and Costa-Gavras, Montand's director in "Z," "The Confession," "State of Siege," "Clair de Femme" and "The Sleeping Car Murders." Montand is the 17th recipient of a Film Society of Lincoln Center tribute, the first from France. Charles Chaplin received the first tribute in 1972.

Empress Hirohito held a press conference with 30 Japanese reporters to talk of his health and his past as the world's longest-reigning monarch. The conference will be broadcast Friday on the emperor's 87th birthday.

Sonny Bono, mayor of Palm Springs, California, now has his own sunny after his fourth wife, Mary, gave birth to a baby boy. Bono's first son was born Monday and named Chesare Elm, said Bono spokeswoman. Bono, 53, has two daughters, Chastity, 19, whose mother is Cher, and Christy, 30, from a previous marriage.

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